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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

...re ...uses ...E 2 ...turn

...2 last night was return- ...x knots to Southampton ...ter of its cruising speed ...fire had damaged an ...causing the liner to ...a voyage to New York ...was due to arrive with ...ssengers to-day.

...d was optimistic that the ...uld be repaired in time ...next scheduled trans- ...sailing on August 3. ...ncident is a setback for ...ers, as it disrupts the ...f 14 round trips to New ...e QE2's most profitable

...blaze, which began at yesterday, was put out ...0 minutes. An engine ...echanic was injured. ...d has arranged for 630 ...rs to fly to the U.S. by ...flights to-morrow with 450 going by Pan Am on Monday. Arrange- ...r 120 round trip holiday- will be discussed when ...docks.

...nties seek ...terrorist

...yal Canadian Mounted ...ere last night continuing ...vestigation of a report ...Iraqi terrorist leader is ...real where the athletic ..., yesterday's Olympic ... Page 15. Man of the ...tack Page

...s risk ...ed row

...despatched an oil explora- ...up in the Aegean Sea ...y, risking naval interven- ...Greece which has con- ...claims to seabed ...s Turkey has warned that interference will be ...to in kind. Page 9

...for MPs

...sterday approved a £6 a ...y rise for themselves— ...those who do not earn ...an £8,500 taking outside ...into account, an in- ...from £5,750 to £6,062 ...ge

...or quits

...dor is to leave his post ...al Adviser to the Chan- ...the Exchequer at the ...he month. Page 8

...s returns

...ir France airbus sky- ...to Entebbe, Uganda, ...to Paris—with its lug- ...d empty. It was doubted ...the passengers would ...belongings again.

...,000 reward

...ciete Generale, Paris, ...reward of £117,000 for ...ion leading to the arrest ...gang which robbed its ...anch of an estimated ...st week-end. Police said ...had found fingerprints.

...and struggle

...sing three wickets for ...and, assisted by injuries ...Indies bowlers Holding ...ler, reached 238 for five ...ourth Test. Greig is 89 ...Trevor Bailey, Page 15

...smith sued

...Knightley, author and a ...t on the Sunday Times, ...ed a writ against Sir ...oldsmith. He alleges that ...es libelled him on Wed- ...n an open letter to news- ...itors.

...ly ...

...n of the invalid Trike ...the National Health ...is to be phased out over ...s Pages 8 and 13

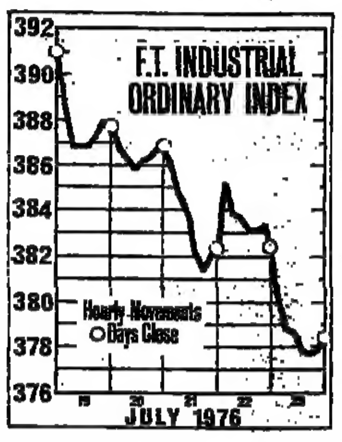
...who acquire dangerous ...nals as pets must have a ...rom October 22. Existing ...need a licence from ...20.

...as exploded two nuclear- ...at its South Pacific ...und test site to perfect ...e warheads.

BUSINESS

Equities and gilts drift lower

● EQUITIES fell in light trading. The FT 30-share index lost 4.0 to 378.4 for a 12.6 decline on the week. The FT-Actuaries All-Share index lost 1.1 per cent. to 156.65 for a weekly fall of 2.68 per cent.



● GILTS drifted down with losses in shorts ranging to ⅛ and in mediums and longs to ⅛. The Government Securities index was 0.17 down at 62.31.

● STERLING closed 15 points down at \$1.7820; its weighted depreciation widened to 38.5 (38.4). The dollar's narrowed to 1.84 (1.86) per cent.

● GOLD fell \$½ to \$111½.

● WALL STREET was 0.9 up at 991.98 near the close.

● BRITISH LEYLAND is increasing from Monday the prices of all models except the new Rover 3500 by an average 4.6 per cent. Page 8

West German surplus down

● WEST GERMAN trade surplus fell sharply in June to DM2.15bn. (£476m.), compared with DM3.09bn. (£872m.) in May. Imports have been rising faster than exports in 1976. The current account balance, which includes invisibles, showed a DM100m. (£22m.) deficit in June.

● NUCLEAR steamer programme may not survive after the decision to put back the order for a first reactor. Page 8

● BUILDING UNION claims 30,000 construction workers will lose jobs because of the Chancellor's cuts in the roads programme, council building and local authority mortgage lending. Page 11

● WEDD DURLACHER has stopped jobbing in South African gold shares after losing £½m. in the market in two years. Smith Brothers will be left to deal in the sector alone. Back Page

● THOMAS BORTHWICK'S £12m. share offer on Monday brings the total of new issue money raised since the beginning of the week to £32m. Page 12

● MARITIME FRUIT CARRIERS has been granted an injunction in the London High Court restraining the sale of two vessels by a creditor. The order should provide a valuable breathing space in the company's fight for survival. Page 12

● BROKEN HILL Proprietary, Australia's largest company and only steel producer, reported that profit for the year to May 21 was almost halved, from \$A120m. to \$A63.6m. (£44m.). Page 16

COMPANIES

● GEORGE WIMPEY has offered £5.25m. for property investment and development group Wingate Investments, whose principal asset is the St. Alphage house office block in the City. Back Page

● UNIGATE pre-tax profit for the year to March 27 rose to a record £21.6m. (£17.8m.). Total dividend is 2.7718p (2.55p) net. Page 12 and Lex

...PRICE CHANGES YESTERDAY

(...in pence unless otherwise indicated)

RISES

...ley	16	+	2½
...Bank	232	+	7
...Bank	280	+	8
...Invs.	33½	+	9½
...S	246	+	11
...ika Cons.	178	+	8

FALLS

...er 13½pc '96	195	−	5
...arrington	100	−	4
...	185	−	4
...	362	−	6
...A)	140	−	5
...(R.)	158	−	5
...ol.	196	−	7
...A"	208	−	6
...ndy	116	−	4
...gh (L.)	166	−	4
...	355	−	8
Gt. Portland Estates	228	−	6
Hambros	197	−	6
Hanson Trust	122	−	4
Hawker Siddeley	430	−	8
Manbre and Garton	162	−	4
Mothercare	194	−	4
Mowlem (J.)	75	−	4
Pearl Assur.	200	−	10
Racal Electronics	204	−	5
Rank Org.	160	−	7
Reardon Smith "A"	63	−	4
Reckitt and Colman	343	−	7
Rothschild Inv.	230	−	5
SGB	73	−	4
Tarmac	138	−	4
U.K. Optical	160	−	4
BP	595	−	5
Shell Transport	428	−	4
Ultramar	128	−	4
Blyvoor	370	−	10
Geevor	235	−	20
Kloof Gold	280	−	10
West Driefontein	£14½	−	½

Government faces rift with industry over new measures

BY ADRIAN HAMILTON

A distinct cooling is likely in relations between industry and the Government as a result of the Chancellor's public spending announcement on Thursday and the increase in employers' national insurance contributions.

Industry reaction yesterday was largely hostile in spite of the last-minute concessions made on the price code.

The Confederation of British Industry has yet to decide its next move.

It is unlikely to bandon the search by Lord Watkinson, CBI president, for a consensus among industry, unions and the Government on industrial strategy. But it could withdraw from some of the positive moves to encourage members to invest, promised by Lord Watkinson at the last meeting of the National Economic Development Council.

Betrayal

The main anger has been aroused by the rise of 2 percentage points in national insurance premiums. Some industry leaders described this yesterday as a "betrayal" of what they had been led to expect from Government and another example of the continued low status of industry in the political pecking order relative to the unions.

On the latest price code changes, opinions appear to be more mixed. Those most closely involved in the recent negotiations feel that Mrs. Shirley Williams, Secretary for Prices has probably been more generous in the concessions than might have been expected and that these could theoretically add as much as £200m. a year to the value of the £800m. worth of changes already made.

In particular, the increase in investment relief from 35 to 50 per cent. seems to be fairly close to the CBI's target. The modifications in the treatment of interest and productivity deduction and the categorisation changes will help certain companies and sectors.

Against this, the rise in the adjustment factor for depreciation from 1.3 to 1.4 per cent. was far short of the increase to 2.0 which the CBI sought—and this was probably the most important item on its shopping list.

Mrs. Williams has rejected industry's pleas that labour be included as a fixed cost in the clauses allowing companies to gain some of the advantages of a rise in sales.

She also rejected requests to change the cut-off date for the retrospective recovery of cost increases and the tightening of rules on profit recovery.

The precise price and profit impact of the changes made by the Government has still to be calculated. The Government believes that the market will continue to limit price rises so that the effect of all the changes will amount to little more than 1 per cent. on retail prices.

The CBI believes that, with an accelerating economic recovery, the price code will serve as the main obstacle to increased profits and that the latest changes, while not insignificant, will still bring the total value of the changes to no more than the £1bn. which the Government had promised earlier this month.

Among the more formal reactions yesterday, the most critical came from institutions in the construction field, such as the Federation of Civil Engineering Contractors and the Royal Institute of British Architects, whose members feel particularly hard hit by the further curbs on construction.

Guarded

The farmers were more guarded. Sir Henry Plumb, president of the National Farmers' Union, said that the measures could raise agricultural costs by £23m.-£24m. in a full year. This would have to be taken into account at the annual review.

Local authorities cautiously welcomed the Chancellor's refusal to cut their current expenditure below levels set out in the White Paper earlier this year.

Just to achieve this standstill would require a cut of 2 to 3 per cent. in present spending, according to the Association of Metropolitan Authorities.

U.S. reaction and Left-wing "war" plans, back page

Weak response to cuts pushes £ down again

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ABSENCE of any clearcut overseas reaction either way on the Government's package of public spending cuts and tax increases led to a further fall in the pound yesterday.

The projected reduction in the public sector borrowing requirement to £9bn. in 1977-78 after the measures largely appears to have been discounted abroad, with attention turning to the question of if and when Britain might seek a further loan from the IMF.

The Government is clearly hopeful that its policies embodied the cuts, and the borrowing and money supply projections will satisfy any conditions which the IMF might require.

The official line remains that a decision on a further IMF drawing is still completely open, though in practice it will largely depend on the use of the \$5.3bn. standby credits up to the beginning of December.

Sceptical

Consequently it may require a more favourable sterling response than so far to avoid a loan application later in the year.

The initial response among some Swis banks yesterday was said to be sceptical and there were indications of selling out of Switzerland.

There was evidence, however, of a somewhat more favourable reaction in the U.S. with a guarded official welcome to the measures as an additional sign that British economic policy is moving in the right direction.

Business in foreign exchange markets was described as fairly quiet ahead of the week-end and the pound closed 15 points down on the day at \$1.7820 after touching a low of \$1.7805.

Any intervention by the authorities was probably not significant. The weighted depreciation widened 0.1 to 38.5 per cent.

It also became apparent yesterday that the Government's measures and forecasts are based on the assumption that unemployment will be at a high level next year.

Mr. Healey said on Thursday that unemployment should start coming down towards the end of this year but the forecasts may be assuming only a gradual reduction over the next 18 months.

This is suggested by Mr. Healey's forecast that the public sector borrowing requirement would fall by only £1bn. down to £10½bn. in 1977-78 on unchanged policies, before taking account of the measures. This is a rather smaller fall than in several outside forecasts.

Although the discrepancy may partly reflect an over-estimation in some projections of revenue (particularly corporation tax in view of the stock relief), it also appears to be the result of some cautious official unemployment assumptions.

The Government is forecasting a rise in Gross Domestic Product of 4½ per cent. at an annual rate over the next 18 months.

It seems that the bulk is expected to come from improvements in productivity with a fairly slow rise in recruitment, though the appearance of specific shortages could change this.

Any revised unemployment assumptions could also affect the final spending and borrowing projections for 1977-78 when they appear in the new Public Expenditure White Paper in the autumn.

Write-down

In the February White Paper, the Government estimated (as a working assumption rather than a forecast) that the number receiving unemployment benefit would fall from 850,000 to 650,000 on average between 1976-1977 and 1977-78.

But any need to revise upwards the cost of unemployment benefits in the final version of the White Paper might be offset by a write-down of the large debt interest component, which on present assumptions could apparently be well below the February projection for 1977-78. There is a very wide margin of error on debt estimates.

The package also seems to have increased uncertainty about the timetable for achieving the Government's inflation targets.

Mr. Healey disclosed that the package would increase the cost of living by 1 per cent. by March 1978.

Buf it is apparent that this makes it more difficult to predict with any acuracy when the target of single figure year-on-

Continued on Back Page

GKN buys 25% of Sachs

BY MARGARET REID

GUEST KEEN & Nettlefolds has demonstrated its resolve to forge a link with the West German Sachs motor component group by buying a stake of almost 25 per cent. in Sachs in spite of the block on its planned purchase of a near-75 per cent. stake.

The large British engineering group signed a surprise DM110m. (£23.9m.) deal yesterday to buy 24.98 per cent. of Sachs — the largest proportion it can obtain without official German approval.

Proceed

The price of the limited stake now acquired is based on that agreed in January for the larger deal. That was one of the biggest take-over projects arranged on the Continent by a British company. The latest deal is being financed from funds the group has available in Germany.

Reasons for the Cartel Office's veto in May on the originally planned full purchase were not spelt out. But the main argument certainly was that GKN's financial backing of Sachs' Fichtel and Sachs clutch subsidiary would increase its allegedly already dominant position in the West German clutch market.

GKN described its new investment as reflecting its confidence in Sach's profitable future and demonstrating its own determination to contirbute to the continuing stability of the German company, its management and employees.

The British group will have Board representation in Sachs. Its chairman, Mr. Barrie Heath, has been appointed to Fichtel and Sachs' supervisory Board.

Adrian Dicks writes from Bonn: The Berlin-based Cartel Office confirmed that it had no grounds for intervening in any participation of under 25 per cent.—and the new GKN deal has been carefully limited to 25 per cent. less one Sachs share.

The Cartel Office was told in advance of the GKN purchase, but does not see it as affecting the legal issues involved in the appeal court case. The only slight change is GKN will be seeking permission to buy exactly 50 per cent. of the Sachs company, rather than the original 74.98 per cent.

Neither the two companies nor the Cartel Office seems any more hopeful than before of seeing a ruling from the Berlin Appeal Court much before the end of this year.

Meanwhile Fichtel and Sachs has announced a 20 per cent. increase in turnover in the first six months of this year, to a new level of DM 417m. (£91m.).

First half profits were not disclosed, but were said to have shown a gratifying increase following a decline from DM24.8m. in 1974 to DM20.5m. in 1975.

This year's recovery in business, following the recovery of the West German car market, encouraged the Fichtel and Sachs supervisory board to approve the planned DM30m. expansion of its facilities at Schweinfurt, in Northern Bavaria.

£ in New York

—	July 22	Previous
Spot	\$1.7815-7825	\$1.7840-7850
1 month	1.15-1.10 dis	1.20-1.15 dis
3 month	3.25-3.20 dis	3.40-3.35 dis
12 months	12.50-10.66 dis	10.70-10.50 dis

Banks do better than expected

BY MICHAEL BLANDEN

TWO OF THE BIG four clearings banks yesterday announced better than expected half-year results.

Midland Bank announced pre-tax profits up from £41.5m. in the first half of last year to £6.6m. Lloyds had an improvement from £47.4m. to £64.6m. Neither made any special provisions against their lending.

The news was regarded as a sign that the rise in domestic bank profits was coming through earlier than forecast by most market commentators.

Results from the other two banks—Barclays and National Westminster—are due next week.

The interim results come against a background of persistent talk of another rights issue by one of the big banks. NatWest is the favourite, though it would be unusual for such an issue to be made at this time of the year.

Lloyds and Midland indicated that their figures reflected a general improvement in their business. In the domestic market, the banks have seen a substantial rise in their lending to industry in the past three months.

Expansion

Though must of this has been attributed to borrowing to finance "leads and lags" over the exchange market as a result of the fall in sterling, the increase from the general low level of trading has been big enough to persuade the banks that there has been some underlying increase in the genreal demand for finance to support renewed economic expansion.

At the same time the banks have benefited from the substantial inflow of branch deposits reflecting the higher level of liquidity in the economy. This has provided them with a growing sourle of relatively cheap funds.

The results also reflect the widening of the margins between the banks' deposit rates and their lending rates, with the difference between the base rate for lending and the seven-day deposit rate at a full 4 per cent. against an average of less than 3 per cent. in the same period of last year.

The banks have not yet seen the benefit of the higher charges on personal current accounts introduced for the second half of this year.

Yesterday Lloyds' share price gained 7p at 232p and Midland was 8p up at 280p. Barclays rose 2p at 282p. NatWest was 2p lower at 228p.

Details, Page 12
Lex, Back Page

Freedom plan for State shipbuilding

BY RICHARD EVANS, LOBBY EDITOR

PROPOSALS for a high degree of decentralisation for the nationalised shipbuilding industry were disclosed yesterday by the Government in an attempt to gain the support of Scottish and Welsh Nationalist MPs for the Aircraft and Shipbuilding Industries Bill.

The Department of Industry said that amendments to the Bill would allow British Shipbuilders to seek the largest degree of decentralisation of management and decision-taking with separate "profit centres" in the shipbuilding and ship repairing areas of Britain, particularly Scotland and Wales.

Responsibilities to be covered by this devolution of power would include sales, pricing, production, formulation and implementation of investment programmes, manpower planning and management, industrial relations and responsibility for financial performance.

The purpose of the amendments which will be published today, is to persuade Nationalist MPs to support the Bill while at the same time not provoking English MPs with regional shipbuilding interests into attacking the Government for appeasing Nationalists.

All signs last night were that the attempt would fail. Scottish Nationalist MPs will reach a decision on Monday, but are considered certain to reject the Government's proposals.

Unless they get further undertakings from Ministers on a separate Scottish organisation, they will oppose bte Third Reading of the nationalisation measure in the Commons on Thursday.

The present proposals have fallen short of their demands for "a recognised Scottish entity" within British Shipbuilders, the organisation which will run the nationalised industry.

Mr. Gordon Wilson, deputy leader of the SNP who took part in private discussions with Department of Industry Ministers, last night accused the Government of "caving in" to anti-devolution elements in the Labour Party in England. He claimed that pressures had forced Ministers to "renege" on a Government commitment to set up a separate Scottish entity.

The amendments follow a pledge to consider SNP demands made by Mr. Michael Foot in the Commons on June 29 which ensured that the Nationalist MPs abstained in a vital division on the Bill.

Now that the Government's overall majority, is in practice three, after two recent by-election victories, there is less need for Ministers to seek to placate Nationalist opinion and further "concessions" are unlikely.

Hybridity

Government proposals to resolve the hybridity issue in the Bill, which has held up its Parliamentary passage for several weeks, were published yesterday.

They will have the effect of excluding the Marathon Shipyard on Clydeside from the provisions of the Bill. The Bill under the terms of one of the Government's guillotine timetable motions will complete its Commons passage next week.

Debates on the report stage and third reading will take place on Tuesday, Wednesday and Thursday. The Bill then will go to the Lords in the "spill-over" period in the autumn.

FEATURES

Weakness in the gold market 11
Housing standstill 10

ON OTHER PAGES

Appointments 14
Arts 6
Bridge 4
Chess 4
Collecting Wisely 6
Commodities 15
Company News 12 & 13
Crossword Puzzle 14
Economic Diary 11
Entertainment Guide 5
Finance & Family 4
FT-Actuaries Indices 18
Gardening 5
Golf 5
Home News 8
How to Spend It 7
Insurance 4
Labour News 11
Leading Article 10
Letters 10
Lex 22
Man of the Week 22
Mines in the News 2
Money & Exchanges 18
Motoring 5
Overseas News 9 & 16
Property & Housing 7
Saleroom 6
Share Information 20 & 21
Sport 15
Stock Exch. Report 18
58 Week's Dealings 16 & 17
Taxation 4
Travel 5
TV and Radio 2
Unit Trusts 19
Wall St. & Prices 14
Weather 22
Your Savings & Inv. 3

OFFERS FOR SALE
Jascot Pref. Fund 22
Lawson High Yield 19
M & G High Income 1
Merchant Investors Property Bds. 4
Schlesinger Nil Yld. 3
(Comment Page 12)

Base Lending Rates 18
Building Soc. Rates 17
Local Authy. Bonds 17
U.K. Convertibles 17

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04 ADDRESS
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SIGNATURE DATE

OR £10 Complete this section if you wish to make a Regular Monthly Saving (minimum £10 a month — maximum age 54).

If you are 50 or over (women 54 or over) or want to save more than £20 per month or cannot sign Part I of the Declaration, delete that part of the declaration and we will send you our standard proposal form.

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OCCUPATION DATE OF BIRTH

NAME AND ADDRESS OF USUAL DOCTOR (to whom reference may be made)

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PART II I agree that this declaration and any declaration made by me in connection with this proposal shall be the basis of the contract between me and M&G Trust (Assurance) Ltd., and that I will accept their customary form of policy.

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DATE

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The week in London and New York

Equities suffer worst week since May

ONLOOKER

Down 12.6 points equities have had their worst week since the end of May. But most of the setback occurred before Thursday's economic package so despite yesterday's 4 points decline in the 30-Share index Mr. Healey's "cuts" may not prove all that bearish for shares. The index closed at 378.4 down 8.3 points on the account, and gilts too ended the week in uncertain form. Sterling, which was beginning to falter again yesterday, has actually managed to rise half a cent or so against the dollar this week.

Thursday's package is duly cutting back the borrowing requirement by the sort of numbers most observers anticipated and its only surprise element was an increase in employers' national insurance contributions. The market may take this as a sign that the Chancellor will be willing in future to lean on industry's growing profits surplus. At all events the CBI reacted sharply. The measures are of course going to take the retail price index up 1 per cent. or so in due course which is one factor unsettling gilts.

As for individual equity sectors, the package has had little obvious impact. As usual the motorway stocks have come under pressure with Tarmac leading the way down. But construction shares have been in the doldrums for the past three months which is one reason why our capital goods index has underperformed the overall market by as much as a quarter this year. Golds remain as flat as a pancake. But bank shares were taking heart yesterday following the first shots in the clearers interim results season. All eyes now turn to NatWest which reports on Tuesday.

Traded options

A London market in traded options to be worked within the existing jobbing system has been given the green light. But there is not going to be any immediate rush by members to set up stalls. On Tuesday the advisory committee to the Stock Exchange Council agreed to issue a prospectus for participation in a market with a paid up capital of around £1m., and on present plans this will probably break down into 250 seats at £4,000 a time. Thus the economics of the new market are beginning to take shape—and with 25 per cent. of the new capital payable on subscription the prospectus looks like providing the depth of member commitment with its first real test. The prospectus should be ready sometime this autumn.

There are plainly a number of hurdles still to be overcome, notably on the gains tax front, before the new market opens its doors. But dealing should finally start in the second half of 1977 — at least that was the betting among members this week. The new market will operate away from the main trading floor of the Stock Exchange and will be run on very similar lines to its model — the options auction market in Chicago.

The attraction of traded options to the investor is something which has still to be gauged. Some institutions have been canvassed but no clear guide to potential support is yet available. Traded options have proved immensely popular in the U.S. and the enthusiasts hope that once the option's scope for spreading investment risk is fully understood—and costed—it will quickly become part of the established City scene. But at the moment there are probably just as many cynics as there are enthusiasts.

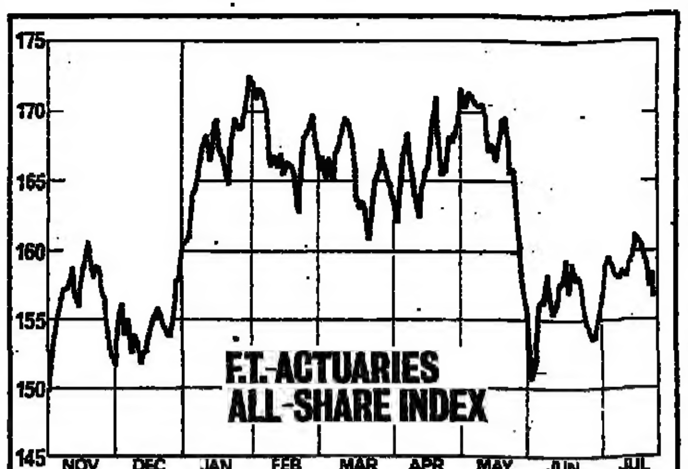
TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 4	% Change
Toys & Games	+8.7
Machine & Other Tools	+8.4
Property	+7.1
Breweries	+7.0
Newspapers, Publishing	+5.8
Packaging & Paper	+5.7
All-Share Index	+2.2
WORST PERFOMERS	
Oils	−0.4
Investment Trusts	−1.4
Household Goods	−1.7
Insurance Brokers	−2.2
Discount Houses	−3.9
Wines & Spirits	−7.1

Discount squeeze

Union Discount is the largest house in the discount market so lower half-time profits from the company have understandably set the sector back on its heels a bit this week: our index has dropped 6 per cent. After the sharp rise in the gilts market in the first few months of 1976 the going has been considerably tougher recently for the discount houses. MLR has been lifted 2½ points and house running margins have been squeezed by higher money costs. Union's sentiments this week echoed those of Alexander's earlier this month, and much the same depressing story looks likely from Gillett Brothers on Tuesday.

But there are signs that the stock market might be painting too bleak a picture of the sector's prospects. This year's first half profits, have after all, to compare with a record 1975 first half, and, more importantly, the houses have changed their spots radically over the last two years. The stock market, which harbours painful memories of 1972/73 when half the houses had to cut their dividends, may not fully appreciate the changing nature of the business. Discount house gilts books tend to be far smaller and shorter these days and the houses are now far more active dealers in short term paper.

The sector yields 9.2 per cent. against the financial sector average of 5.9 per cent. But a close eye should be kept on interest rate trends in the current half of 1976.



GUS' growth

Great Universal Stores came up with another solid result on Thursday. Maintained profits growth of 10 per cent. throughout the year has taken the pre-tax figure up by £9m. to £98m. on a sales rise of 16 per cent. to £910m. But within these figures is a dull performance from U.K. retailing with a contribution of about £55m., which probably has not changed materially for the past four years. Mail order has shown defensive qualities despite working capital pressures, but the real growth at GUS came from the property and finance side and from overseas. Helped by the previous year's strong liquidity trend—1975-76 opened with cash balances higher by £40m. at £67.3m.—property and finance returned profits up from £13.2m. to about £19½m. Overseas, all areas performed well apart from Australia and profits moved ahead from £14.3m. to around £18.7m.

This year Gus looks capable of reaching say £110m., including some growth from U.K. retailing. Meanwhile the deferred profit reserve, which now stands at £73.3m. should show another rise reflecting the increased amount of credit business. Yield on the "A" shares at 187p—down 3p this week—is 5½ per cent.

Valuations

Welfare Insurance sees no reason to increase its 80p per share offer for Keith and Henderson so both parties are still locked in a stalemate. Welfare's original offer was based on an asset valuation of 62p per share. K. and H. rejected this saying that the last independent valuation put a worth of 116p on its properties. Both companies have since sought second opinions. For K. and H. this confirmed its original estimate of 116p while for Welfare Wednesday's second valuation came up with an even lower figure than the first, namely 60p.

That four independent open market valuations should come with two such widely differing assessments is remarkable and shareholders must find the situation particularly confusing. After all the takeover seems to make good sense for both companies. Welfare already has nearly a third of K. and H.'s equity and has financial link via a £4m. "cheap" long-term loan. K. and H. has stated that it sees the logic in a bid for Welfare and would accept—at the right price.

Buyers wanted

BY JAY PALMER

NEW YORK, July 23.

"Wall Street is not going to be able to get going and break through to new high ground until the general public, the so-called small investors, start buying in earnest," one broker reflected last night. "The large institutions and pension funds fuelled the first two legs of our bull market and they are now fully invested. We need an injection of new cash to rise and stay above 1,000."

Certainly the main game on Wall Street is called "group identification." Since it is only a matter of when (rather than if) Wall Street will start upwards again, the institutional battle now is to identify and buy the investment sector that will eventually lead the rally. But with limited new cash, every fresh favourite sector is built on the rubble of another.

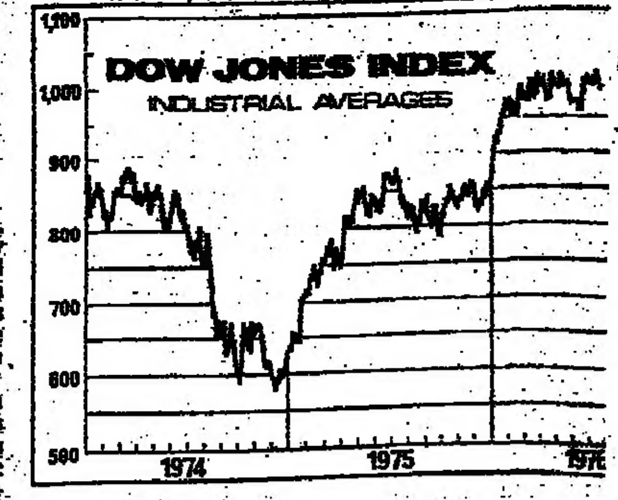
The traditional view is that the third leg of an upturn is always led by the capital good shares and the "growth" companies, which stand as prime beneficiaries of maturing economic recovery. Others argue, however, that since the recovery is being deliberately restrained to avert rampant inflation, such defensive sectors as cosmetics and soft drinks will do well. The theory is that these maintain value in weak conditions.

Still another view is based on the not unreasonable assumption that 1977 and 1978 will be years when the present economic growth is carried forward—perhaps at a slower rate. This, it is noted, could leave the highly leveraged sectors, where just a small amount of increased volume goes directly to the bottom line, ahead of the game. Recommendations include the airlines, high technology sectors and some insurance companies.

Looking at the market's performance over the last six weeks or so, it has become dramatically clear that some individual shares and indeed possibly some sectors are in for a drumming as actual profit growth failed to exceed market expectations. This is all too probable an event, remember, when market expectations are based on general forecasts of 25 per cent. plus profit growth.

Casualties on this front already include a number of prime companies — including Disney, Polaroid and, most recently, Eastman Kodak. In every single case, these companies turned in very respectable profit growth. However, share prices fell for the simple reason that this growth was not better than had been anticipated.

About the only positive factor to be drawn from the market's current inability to move ahead and from this present institutional switching have not seen the de of any great speculat There is as far as o very little "froth" at the market and, in t stances, the chances of "boom-and-bust" occu incredibly slim.



	Close
Monday	990.2
Tuesday	988.7
Wednesday	989.4
Thursday	991.8

Mining — No medals for gold

BY MALCOLM DUMPHREYS

IT WOULD SEEM that the only place where gold is wanted is at Montreal. On Wednesday of this week the bullion price recorded its lowest closing level since mid-December, 1973, of $107 an ounce after being down to $105.50 at one time on that day. Subsequently, the metal rallied to $114.25 and ended yesterday at $111.125. Prior to the second International Monetary Fund auction on July 14 the bullion price was $122.50 an ounce.

The theories behind these wide fluctuations are presented elsewhere so let us have a look at how the bullion price is affecting shares of the metal's producers. Firstly, those in South Africa.

Lower profits

For that country's major producers of the metal the effect of the lower bullion price will obviously be lower profits, but they will still make profits. Chamber of Mines figures for the March quarter indicate a break-even point of around $71 for the whole of the industry and according to our Johannesburg correspondent, Richard Rolfe, the big producers, which account for 80 per cent. of output are nowhere near having their viability threatened, with the possible exception of Vaal Reefs.

It is a different story for the marginal mines, however, of which in the June quarter there were 14 with a break-even price of over $100. These were Marievale, Grootvlei, Stilfontein, Welkom, Venterspost, Durban Deep, Harmony, East Rand Proprietary, Loraine, West Rand Consolidated, Free State Saaiplaas, SA Lands, Wit. Nigel and South Roodepoort.

The last named company has now announced that it is to give the statutory three months notice of intention to cease mining operations. This will give South Roodepoort the chance to take any action deemed necessary at short notice but does not mean that mining operations will be stopped immediately.

South Roodepoort, along with eight of the 14 marginal producers, is in receipt of State assistance and if the low level of the bullion price persists some rethinking of the scheme may be needed. It can be argued that to keep a mine open by State assistance if it is unprofitable except at a much higher gold price than can be reasonably foreseen is no longer justified.

Trying to keep shareholders happy in times of falling dividends is a problem as South Africa's gold mines almost always raise additional capital by way of "rights' issues, there usually being no debt financing because of the risks involved in this deep-level mining. But unless the bullion price revives and lifts share prices in its wake a "rights" issue will be hard to stage without inflating the issued capital to an unacceptable level.

Elandsrand, the Anglo American group's new mine which will cost at least £129m. (£82.3m.) to bring to production by 1981, will have to go to the market to raise additional funds next year as at end-March the company had only R35m. against commitments of R25m. for this year.

Similarly, expansion programmes currently underway at established mines may also have to be slowed down because if it is difficult to raise money through the share market, finance will have to come from retained earnings. This would be the case for, among others, Free State Saaiplaas, Free State Geduld and Harmony, although the latter's earnings from uranium will help the cash flow situation over the current lean period.

Mr. R. A. Plumbridge, president of the Chamber of Mines of South Africa, says that many of the country's mines are reviewing their production policies. He warns that if the gold price remains at the current lower levels for a prolonged period there will be a significant reduction in bullion production and employment of both Whites and Blacks in the mining industry. "The mining industry and, indeed, South Africa as a whole, can only view this prospect with grave concern."

These words are echoed by Mr. P. H. McCloskey, chairman of the Gold Committee of the Mining Association of Canada, who says that several of his country's mines will close if the decline in the metal price continues. He adds that interim reports due to be published soon by Canadian mines will show that many operated at a loss during the first half of this year.

Canada's and Ameri have added the h higher labour costs t Africa, as shown recen former country's pre producer, Giant Y Mines. Its cost of p per ounce in the months of this year w while the average pric was $130.62 compa $170.19 for the same 1975.

So for holders of g there seems little to moment except sit wait for an upturn bullion price. Even investments cannot mended as the U.K. has just turned down from the Londo Exchange that the currency premium rule be revoked if no then to at least allow between premium shares without h relinquish 25 per ce premium on each sal

Sharp contract

It is the surre which has led to contraction in busi in overseas mining the Exchange and in South African gold which the London m previously the leader. Now there i Jobbing firm left on t Exchange dealing in South African gold Even an upturn in t price would not s situation.

Reflecting the improvement in the metals business, Can. reports second quarte of US$53.6m. (£30m cents (40p) a share with $23.3m. or 31 cen for the first three mo brings earnings for th of the current year (£43.2m.) or $1.03 (58 as against $111.2m. o the comparable peri ago. An unchanged dividend of 35 cents also declared.

The decline in Inco earnings is attributed ourable currency ad increased costs and e the metals business, lo for platinum-group m reduced rolling-mill deliveries. The effec factors were, howeve ted by improved primary nickel an higher deliveries of group metals and a improvement in ESB contribution.

TIN OUTPUTS COMPARED

	June, 1976 Tonnes	May, 1976 Tonnes	Total to date (months) Tonnes		Same period previous year Tonnes
Amal. of Nigeria (tin)	*184	§197	586	(3)	588
Amal. of Nigeria (columbite)	¶	§12	22	(2)	29
Aokam	142	138	1,622	(12)	2,254
Ayer Hitam	587	482	4,178	(12)	3,125
Berjuntai	324	261	685	(2)	619
Bisichi Jantar (tin)	¶	29	170½	(5)	267½
Bisichi Jantar (columbite)	¶	22½	127½	(5)	193
Ex-Lands Nigeria	¶	*38	218	(5)	250
Geevor‡	83	80	243	(3)	222
Gold and Base (tin)	¶	30	150	(5)	150
Gold and Base (columbite)	¶	Nil	3	(5)	2
Gopeng	173½	180½	1,653½	(9)	1,636½
Hongkong	Nil	¼	4½	(9)	4½
Idris	18	18½	151½	(6)	204½
Kaduna Syndicate	¶	¶	66	(3)	90½
Kamunting	39	48	131	(3)	226
Kent (FMS)	49	45½	307½	(6)	324½
Killinghall	22	34½	379	(9)	480½
Kinta Kellas	66½	70½	226½	(3)	92½
Kuala Kampar	18	27	71	(3)	154
Lower Perak	24	24	48	(2)	52
Malayan	240	215	2,459	(12)	3,198
Pahang	183	178	1,819	(11)	2,039
Pengkalen	24	24½	155	(9)	285½
Petaling	82½	187½	856½	(8)	843½
Rahman	57	55	685	(12)	1,329
St. Piran—Far East†	15	14	44	(3)	57
St. Piran—U.K. (South Crofty)	125	123	410	(3)	317
Southern Kinta	111	108	310	(3)	493
Southern Malayan	210	199	2,520	(12)	2,225
Sungei Besi	128	94	306	(3)	531
Sungei Way	42	34	519	(12)	445
Tanjong	23½	24½	141½	(6)	164
Tongkah Harbour	26	35	369	(12)	586
Tronoh	187	197	1,633	(6)	1,260
Utd. Tin of Nigeria (tin)	¶	4½	10½	(2)	9
Wheal Jane†	82	90	891	(10)	1,113

‖ Strike in Thailand. * Four weeks. † Tin metal content. ‡ Figures include low-grade material. ¶ Not yet available. § Five weeks. Outputs are shown in metric tonnes of tin concentrates.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1976 High	1976 Low	
F.T. Ind. Ord. Index	378.4	−12.6	420.8	364.7	Ahead of and after spending cuts
F.T. Gold Mines Index	115.0	− 7.0	246.9	108.8	Further decline in bullion price
Ayer Hitam	298	+28	298	160	Sharply higher profits and div.
Bats	362	−18	410	342	Disappointing interim profits
Central Province	11½	+ 3½	11½	7½	Anglo-Indonesian bid situation
Courtaulds	123	−11	169	123	Profits warning
Dowty	152	−11	182	140	Preliminary figures
Elbar Industrial	192	+32	198	90	Tanganyika Con. 205p cash bid
Johnson-Richards Tiles	184	−36	260	180	Disappointing results
Keith & Henderson	81	− 6	96	55	No bid increase from Welfare Ins.
Manbre & Garton	162	−16	181	122	Absence of Tate & Lyle bid
Ocean Wilsons	134	+11	142	92	Speculative demand
Plessey	74	− 5	84	65	Disappointing 1st.-qtr. results
Rosgill	6	− 4	25	6	Dividend omission/loss
Royal Sovereign	78	+37	79	32	Bid from Dickinson Robinson
Union Discount	308	−17	385	305	Disappointing interim statement
Wallis (F. J.)	38	− 7	46	33	Fading bid hopes
Wedgwood	206	−15	251	196	Profits warning
Wingate Invs.	33½	+10½	36	14	35p cash bid from Geo. Wimpey
Wormalds, Walker	5	− 3	15	3	Profits warning

U.K. INDICES

Average week to	July 23	July 16	July 9
FINANCIAL TIMES			
Govt. Secs.	62.48	62.42	62.83
Fixed Interest	62.23	62.35	62.50
Industl. Ord.	383.6	389.9	389.0
Gold Mines	115.8	133.9	147.1
Dealings mkd.	4,711	4,600	4,530
FT ACTUARIES			
Capital Gds.	144.66	145.80	144.48
Consumer (Durable)	125.11	125.62	123.98
Cons. (Non-Durable)	147.40	148.66	148.35
Ind. Group	152.00	153.31	152.86
500-Share	168.88	170.38	169.71
Financial Gp.	129.49	130.73	128.02
All-Share	158.43	159.94	158.88
20-year Govt.	48.94	49.13	49.28
Red. Debs.	50.78	50.36	50.70

TV/Radio

† Indicates programme in black and white.

BBC 1

8.55 a.m. Mr. Benn. 9.10 Yogi's Gang. 9.35 Kim and Co. 10.00 On the Move. 10.10 Play Tennis. 10.35 Barney Bear.
10.45 Grandstand: The Olympic Games (10.50, 1.40, 4.15): Cricket: Fourth Test (11.25, 2.10, 2.40, 3.35) England v. West Indies; Racing from Ascot (1.50, 2.25, 3.05); 4.55 Final Score.
5.05 The Shari Lewis Show.
5.15 News.
5.25 Sport/Regional News.
†5.30 Saturday Night at the Movies: "Just My Luck," starring Norman Wisdom.
6.55 Seaside Special from Southsea, starring Mike Reid.
7.45 Olympic Grandstand.
10.05 News.
10.15 "Who?" starring Elliot Gould and Trevor Howard.
11.45 Olympic Grandstand.

All Regions as BBC 1 except at the following times:—
Northern Ireland—5.25-5.30 p.m. Northern Ireland News; Sport.

BBC 2

8.30 a.m. Open University.
3.00 p.m. Saturday Cinema: "The Paleface," starring Bob Hope and Jane Russell.
4.20 Cricket: Fourth Test, England v. West Indies.
7.05 Westminster.
7.35 News and Sport.
†7.45 "The Country Girl," starring Bing Crosby, Grace Kelly and William Holden.
9.25 Cliff Richard in concert.
9.55 2nd House.
11.10 Cricket: Fourth Test (highlights).
11.40 News on 2.
11.45 Private Affairs.

LONDON

9.00 a.m. Play a Tune with Ulf Goran. 9.25 Furnishing on a Shoestring. 9.50 Saturday Scene introduced by Sally James. 9.55 Addams Family. 10.20 The Beachcombers. 10.50 Junior Police Five. 11.05 The Jetsons. 11.30 Primus. 12.00 The Protectors.
12.30 p.m. World of Sport: 12.35 International Sports Special (part 1): Cycling—Tour de France from the Champs Elysees, Paris, plus Motor Racing—John Player Grand Prix from Brands Hatch; 1.10 News from ITN followed by Australian Pools Check; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Ayr; 1.45, 2.15 and 2.45 from Newcastle; 3.10 International Sports Special (part 2): Water Skiing—International Masters Tournament for the Leisure Sport Trophy; 4.00 Wrestling; 4.55 Results Service.
5.05 News from ITN.
5.15 Nobody Does It Like Marti.
5.45 The Sweepstakes Game.
6.15 New Faces.
7.15 The Saturday Action Film: "Dr. No," starring Sean Connery and Ursula Andress.
9.15 News from ITN.
9.35 Machinegunner, starring Leonard Rossiter and Nina Baden-Semper.
11.05 Ann-Margret Smith, starring Ann-Margret with Bay City Rollers, Michael Legrand and Sid Caesear.
12.05 a.m. Orson Welles Great Mysteries.

All ITV Regions as London except at the following times:—

ANGLIA

ANGLIA TV — SATURDAY — —alun 9.50 a.m. Home Brew. 10.15 Hammy Hamster's Adventures on the Riverbank. 10.30 Tree Top Tales. 10.45 Big Blue Marble. 11.10 Clapperboard. 11.35 Planet of the Apes. 12.05 a.m. At the End of the Day.

ATV MIDLANDS

ATV MIDLANDS TV — SAT. — on... 9.25 a.m. Play a Tune. 9.45 Furnishing on a Shoestring. 10.10 Breaktime. 10.40 ATV Saturday Morning Picture Show: "Siege of the Saxons."

BORDER

9.30 a.m. Play a Tune with Ulf Goran. 10.00 Furnishing on a Shoestring. 10.35 David Hand Cartoon. 10.40 Big Blue Marble. 11.05 Tarzan. 12.00 Wait Till Your Father Gets Home. 12.05 a.m. So It Goes.

CHANNEL

5.15 p.m. Husband of the Year '76.

GRAMPIAN

10.25 a.m. The Adventures of Black Beauty. 10.55 Thunderbirds. 11.55 Boxing. 12.05 a.m. Evening Prayers.

GRANADA

9.15 a.m. Play a Tune. 9.40 Furnishing on a Shoestring. 10.05 Fantastic Voyage. 10.30 Untamed World. 10.55 Saturday Matinee: Charlie Drake in "Petticoat Pirates." 12.05 a.m. So It Goes. 12.35 The Late Film: Jeremy Kemp and Bernard Archard in "Face of a Stranger."

HTV

9.05 a.m. Furnishing on a Shoestring. 9.30 Play a Tune. 10.00 Sesame Street. 11.00 Breaktime. 11.30 Born Free.
HTV Cymru/Wales—As HTV General Service except: 5.15-5.45 p.m. Sion a Sian.

SCOTTISH

9.30 a.m. Play a Tune. 10.00 Furnishing on a Shoestring. 10.25 Break-time. 10.55 The Beachcombers. 11.15 Arthur of the Britons. 11.40 Born Free. 12.05 a.m. Late Call.

SOUTHERN

9.15 a.m. Play a Tune. 9.40 Furnishing on a Shoestring. 10.10 Weather Forecast. 10.13 Bewitched Bunny: Devil May Hare. 10.25 The Rovers. 10.55 The Lone Ranger. 11.20 UFO. 12.15 p.m. Southsport. 12.05 a.m. The Protectors. 12.30 Southern News. 12.35 The Man Behind Glorious Goodwood.

TYNE TEES

9.30 a.m. Play a Tune. 10.00 Furnishing on a shoestring. 10.25 Breaktime. 10.55 Opportunity. 11.00 Tarzan. 12.00 Carpet Bowls. 12.05 a.m. Epilogue: Pauline Lomas reads "Night" by William Blake.

ULSTER

10.30 a.m. Old House—New Home. 11.00 Skippy. 11.30 Sesame Street.

WESTWARD

9.30 a.m. Play a Tune. 10.00 Furnishing on a Shoestring. 10.25 The Woody Woodpecker Show. 10.50 Look and See. 10.55 Rocket Robin Hood. 11.15 The Gus Honeybun Show. 11.35 Born Free. 12.05 a.m. Talking Point.

YORKSHIRE

9.30 a.m. Play a Tune. 10.00 Furnishing on a Shoestring. †10.30 Little Rascals. 10.40 Big Blue Marble. 11.05 Batman. 12.00 Wait Till Your Father Gets Home. 12.05 a.m. So It Goes.

TV Top 20

For week ending July 18

			Homes viewing (m.)
1	The Bionic Woman	ITV	6.95
2	Crossroads (Thr.)	ATV	6.65
3	The Cuckoo Waltz	Gran.	6.60
4	Get Some In	Thms.	6.35
	News at Ten (Thurs.)	ITN	6.35
6	Crossroads (Tue.)	ATV	6.30
7	Man About the House	Thms.	6.25
8	Crossroads (Wed.)	ATV	6.15
9	The Squirrels	ATV	6.10
10	North by North-West	ITV	6.05
11	Coronation Street (Mon.)	Gran.	6.00
	Olympic Grandstand (Sat.)	BBC	6.00
13	Rich Man, Poor Man (Fri.)	ITV	5.95
	News at Ten (Fri.)	ITN	5.95
15	Crossroads (Fri.)	ATV	5.90
	Rich Man, Poor Man (Wed.)	ITV	5.85
17	News at Ten (Wed.)	ITN	5.80
18	General Hospital	ATV	5.70
19	Husband of the Year	Yrks.	5.65
	The Nine O'clock News (Tues.)	BBC	5.65

Figures compiled by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research.

RADIO 1 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 8.06 Ed Stewart (S) also on VHF) with Junior Choice, including 8.32 Cross-Channel Motoring Information. 10.00 Rosko. 1.00 p.m. The Beach Boys' Story (S) (also on VHF). 2.00 Alan Freeman (S) (also on VHF). 5.00 Paul Gambaccini (S) (also on VHF). 6.30 In Concert (S) (also on VHF). 7.30-2.31 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards (S) including 6.55 Olympic Sports Desk, 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Charlie Chester with your Smiling Saturday Show (S). 12.02 p.m. Two's Best (S) 1.02 It's All in The Mind of David Morgan (1,500m only, also 202m Scotland; VHF joins Radio 1). 1.30-7.00 Sport on 2 (1,500m only, also 202m Scotland: VHF joins Radio 1); Olympic Special (1.30, 2.00, 2.40, 3.25, 6.04); Cricket (1.30, 2.00, 2.40, 3.25, 5.40, 6.04) England v. West Indies; reports on the Third Women's Test and news of the County Championship matches; Racing from Ascot (1.40, 2.30, 3.15, plus results from other meetings with a classified check at 5.40). 7.02 Hello Cheeky (1,500m only, also 202m Scotland: VHF joins Radio 1). 7.30 Olympic Sports Desk. 7.33 Radio 2 Top Tunes (S). 8.02 Kings of the Keyboard: Rostal and Schaefer (S). 8.30 Saturday Night with the BBC Radio Orchestra (S). 10.02-2.30 a.m. Olympics '76 with Terry Wogan. 2.30-2.31 News Summary.

RADIO 3 464m, Stereo & VHF

7.55 a.m. Weather. 8.00 News. 8.05 The Dancing Masters (S). 9.00 News. 9.05 Stereo Release: Purcell, Geminiani, J. C. Bach, Rameau (S). 10.10 BBC Scottish Symphony Orchestra: Haydn, Martin, Weill (S). 11.25 Cricket: Fourth Test, England v. The West Indies: 11.25-1.35 Including lunch summary; 1.35-1.40 News; 1.40-2.00 Sonny Ramadhin (a portrait); 2.00-2.10 Lunchtime Scoreboard; 2.10-4.20; 4.30-6.40 Including teatime and close-of-play summaries. 6.40 Jazz Record Requests (S). 7.30 Proms concert, part 1: Smetana, Dvorak, Weinberger (S). 8.25 A Painters Journal. 8.45 Proms concert, part 2: Heuberger, Millöcker, Mackeben, Dostal, Borodin (S). 9.40 Yanks and Limeys: series of eight programmes (1): 1776 and All That. 10.35 Kendall Taylor piano recital: Beethoven, Franck (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF
‡ Medium Wave only

6.30 a.m. News. 6.32 Farming Today. ‡6.50 Outlook. VHF Regional News. 6.55 Todays Listening. 7.00 News. 7.10 On Your Farm. 7.40 Todays Papers. 7.45 Outlook. 7.50 Today. 8.00 News and more of Today with 8.27 The Olympics; 8.25 VHF Regional News. 8.50 Yesterday in Parliament. 9.00 News. 9.05 From Our Own Correspondent. 9.30 The Week in Westminster. 10.00 News. 10.02 Between the Lines. 10.15 Daily Service. 10.30 Pick of the Week. 11.30 Science Now Special. 12.00 News. 12.02 p.m. Robin Ray (S). ‡12.55 Weather and programme news; VHF (except London and S.E.) Regional News. 1.00 News. 1.15 Any Questions? 2.00 Weekend. 3.00 News. 3.05 Thirty-Minute Theatre. 3.35 Music of the Masters: Handel, Haydn (S). 5.00 PM Reports. ‡5.55 Weather, programme news; VHF (except London and S.E.) Regional News. 6.00 News. 6.15 Stop the Week with George Gale. 7.00 News. 7.05 Desert Island Discs. 7.30 These You Have Loved: Richard Baker (S). 8.30 Saturday-Night Theatre: "Jonas" (S). 9.58 Weather. 10.00 News. 10.15 Dear and Honoured Lady: the story of Queen Victoria, part 4: The Hungry 40s. 11.00 Lighten Our Darkness. 11.15 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 News: Weather, traffic and to-day's sports news. 8.15 The London Gardener. 8.30 Astley Jones with Saturday Scene. 11.30 Robbie Vincent with Show. 2.00 p.m. Marjorie Close Up. 2.30 London Cou Powel. 5.00 to Closedown

London Broadcasti

261m a

6.00 a.m. Morning Music. 261. 7.30 The Decision Maker big Parliamentary story. 10.00 Jellybone. 12.00 Lo 1.00 p.m. Newswatch 1.30 6.00 Newswatch. 6.30 This 7.00 Artsweek. 9.00 Nig 5.30 a.m. Nightwatch—news hour through the night.

Capital Radio

194m a

6.00 a.m. Kerry Juby: 9.00 Roger Scott: Capital Cou Kenny Everett: Two-h maelstrom. 2.00 p.m. Jo Person to Person. 4.00 I London Link. 6.00 Greg E Spectrum. 8.00 Tommy V tracks from the best albums Allen: Backseat Boogie. Special. 2.00-6.00 a.m. Nigh

CHESS SOLUTI

Solution to Position 1 BxB, QxB; 2 RxB, P (threat Q-N3 ch). K-R Q-K2; 5 R-Q7! QR-Q1 QxP ch); 6 B-N7 ch! (R-Q8 ch) KxB; 7 Q-N4 8 RxQ wins.

Solution to Problem 1 R-K3. If 1 . . . RxB; 2 if R-N6; 2 RxB, or if 2 R-Q2, or if N(Q2) N-N8, or if PxN; 2 R-C

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Your savings and investments

'trong shoulder) lean on

CHRISTOPHER HILL

.S bids and rumours of ; dominating the news company sector at the , so the fund area seems ,ing through one of its turmoils. Hambro Life t secured a stock ex- quotation and it is on s that Save and Prosper o the same. Moreover, :xalted levels, there are is of movement. For ex- n the unit trust field otts has resigned from e Trust Managers he built up over a of 18 months) and is start his own operation :mber. His plans are to in income fund and an ional fund, and I can-) feeling that the unit :a will be a tough nut for a newcomer even r Pott's experience at ment. The June sales 'rom the industry were fairly limp and confi- about the immediate f the stockmarket is far :h.

small companies need ys is a strong shoulder on. This at any rate is what has happened to Merchant Investors, the unit-linked subsidiary of United Dominions Trust which is being taken over by the giant Dutch insurance company Nationale Nederlanden. A few months ago one might have asked with justice "Whatever happened to Merchant Investors?", in that having been pitching strongly in the property bond field in 1973 and 1974 (reaching an asset peak of £25m. in mid-1974) it suddenly disappeared from the promotional scene as the property market entered its bear phase and UDT had its funding problems.

Edward Fairman the chief executive of Merchant Investors admits that the link with UDT was not good for the company during this period when small life companies were all under suspicion. It was also no help that two of the property fund's major investments turned out to have a high alumina content. But these have now been sold and at least Merchant Investors has the consolation that it did not go into guaranteed income bonds and has managed to hold its team together during the tough times. Moreover, this year the unit value of the property bond has recovered to 118p (starting at 100p in June, 1970) and the company now reckons that it is in sound shape to expand—property developments especially are down to the bare minimum.

It will be interesting to see how useful a support Nationale Nederlanden turns out to be, for U.K. brokers are notoriously parochial when it comes to foreign companies. This is why Vanbrugh does so well, having the backing of the Prudential which is a household name everywhere. But, for the record, Nationale already owns a traditional U.K. company, Life Association of Scotland, and occupies much the same position in Holland as the Prudential does here. It is the biggest Dutch insurance company with assets of £2.8bn. at the last count. Moreover, nationalism is rife everywhere—in Holland itself Nationale Nederlanden and the other big Dutch companies regard foreign competitors like Equity and Law as slightly dangerous upstarts.

Anyway, we should be hearing more from Merchant Investors from now on, but it does not intend to concentrate on property bonds this time round. For a start, the product range will be extended into the pensions field—currently the total assets stand at around £19m.

More to come from TV contractors

BY TERRY GARRETT

TV CONTRACTING must rate as one of the best performing sectors over the past 18 months. All the major quoted companies have well beaten the market's rise of 140 per cent. since January 1975, particularly the regional groups where the field is led by HTV showing a 370 per cent. increase in its price. Even Granada, with only a quarter of its profits from contracting, has seen a 220 per cent. rise in its shares.

The background to this strong performance has been the buoyant advertising figures. These have been on a rising trend since the beginning of 1975, and have been especially firm over the past ten months —which is particularly good news for the regional groups having an almost total commitment to contracting.

In the first six months of 1976 advertising revenue was ahead by two fifths at £108m. and prospects for the full year are equally encouraging. However revenue figures for the next couple of months are unlikely to look as impressive. The summer months are traditionally quiet, while the absence of any Olympic coverage on the independent network is bound to cause some advertisers to hold fire till next Autumn. Nevertheless revenue predictions for the full year centre around £230m.—an increase of 30 per cent.—and early forecasts for 1977 are looking for a 10 to 15 per cent. increase.

While revenue is pushing ahead on the one hand, costs are being held in check. Last year the industry digested a wage increase of a fifth, but this time round the rise is more likely to be 10 per cent. Also the increase in the IBA's rental charges announced last February contained no nasty surprises with an overall advance in rentals held to 14 per cent., and some of the smaller regional groups actually benefiting from a reduction. The combination of buoyant revenue and fairly steady cost increases has resulted in some sharp increases in contracting profits.

Granada's interim pre-tax profits rose by £1.64m. to £8.66m. including a two-thirds jump in contracting profits to £2.72m. One of the main features with Granada is its good-quality rental income. Overseas rental operations have been fast moving towards a profit with perhaps a £½m. contribution likely this year and doubling the year after. Meantime U.K. rental has been rather flat but the acquisition of Spectra for £9.4m. brings in some 300,000 subscribers, giving Granada an estimated 15 per cent. of the market. There are some obvious openings for rationalisation there, and second-half earnings should continue upwards for perhaps £18m. pre-tax for the year and earnings of 10p per share.

QUOTED TV CONTRACTORS

	Price Jan. 1975 p	Price now p	Yield %	Profits from contracting*	Total pre-tax profits £m.
Anglia	26	107	9.8	83	1.47
ATV	25	65	10.6	25	6.24
Grampian	12	21	11.9	100	0.14
Granada	24	75	75	23	14.24
HTV	16	74	9.0	95	0.82
Scottish	9½	27	7.4	98	0.77
Trident	9½	35½	9.2	66a	2.09
Ulster	11	40	13.1	80	0.27
Westward	7	17½	12.4	77	0.29

*Source Pinchin Denny. a Excludes Australia.

Trident has seen a strong recovery with interim profits more than doubling to £2.33m. pre-tax and three-quarters of the rise coming from contracting. Over the past couple of years Trident's profits have been hit by the move into Australian TV rental but this market has matured much faster than expected and the Australian operation is now on a day-to-day break-even basis. This year could see a full recovery to over £4½m. and with Australia making a positive contribution in 1976-77 a further advance is in prospect.

ATV has also come up with a sharp increase in recent profits, taking the year's pre-tax level 15 per cent. higher to £6.63m. with prospects of a further rise this year. Admittedly there is more than buoyant contracting profits behind this expectation. ATV should now be making high returns on the "Return of the Pink Panther" after the recovery of production costs last year, and the group could stand to bring in £5m. to £6m. profit on this film alone over the next three years. Meantime there are a handful of other films in production, but as with its records division it needs "hits" to really churn in the profits. ATV leans towards the riskier end of the leisure industry, but with a yield of 10 per cent., the shares are capable of holding their own.

Elsewhere among the regionals, Anglia is always a favourite because of the content of overseas earnings on programme sales—the most famous being Survival—where the profits are free of levy charges. HTV may be in for some speculative interest following its formation into a new holding company, as under the scheme of arrangement the new company would be free of dividend restraint. HTV had already got some "elbow room" because it cut its dividend when profits fell, but with a recovery in prospect, HTV may take advantage to establish a higher payout.

However it is not all a bright picture. Independent television is facing a falling audience—one estimate put it at a drop of a tenth over the past six months—and though there is no immediate reaction from advertisers this worrying trend could undermine advertising rates.

Also the report by the Annan Committee on the industry is expected next Easter. Though this is generally not thought to hold any major dangers for the large groups there could be suggestions that some of the smaller regions should merge. Annan certainly overhangs the industry and is probably the reason why London Weekend is reluctant to "go public" despite fairly active dealings in its shares. Still the sector looks attractive and offers above average yields, although by the turn of the year there may be some price weakness ahead of Annan's report.

'roubles 'r gold

'E experts who thought success of the first IMF ; had effectively fixed a $126 to the gold price unpleasant shock after nd sale last week. The :akened before the sale per oz and although the 'lf was another success out around this price— only say (in medical :hat the "patient died." day it touched a low of $107 and, while it had back to about $112 by y. the sentiment, about] definitely taken a turn worst No one quite :hat will happen but the IF sale scheduled for September is now 'y a bearish factor and 'e cancelled or postponed certainly help the price. other hand, dealers reported that, one the price really came back, a big demand appeared from previously stagnant quarters for Krugerrands at £63 per coin and the domestic premium at one time reached as high as 6½ per cent.

This means that there is a strong demand for the metal when the level gets low enough and there are now signs of rising confidence in some quarters. David Fuller of Chart Analysis, for example, seems to think the low point has been touched and recovery is on the way." But while one can say with a fair degree of safety that gold will have its day again the question is "when" and others believe that while it may trade in the $105-$115 bracket for a while, it will eventually test $90 per oz. This is all not very satisfactory for the purchaser of Krugerrands at £100 a coin in late 1974, but he will have to wait a long time to get his money back. The dilemma is about whether to buy now and endure any further declines or to wait a little. My instinct would be to wait and see what happens about the next IMF sale.

There is far more optimism about silver and platinum, though silver fell in sympathy with gold and will probably remain affected by the cloud over gold in the short term.

'actical support

'EEKS ago I discussed ι of a unit trust (or a ί unit trusts acting in taking over an invest- ıst and came to the con- that there were a lot of es. In fact the general was that it was too hard crack, unless there was tion from the directors nvestment trusts them- 3ut the idea is not dead week I met Mr. G. W. , a director of the l unit trust (with £28m. ment trust shares), who that "in theory if the nent felt like giving up control—which they don't—in order to do the shareholders some good, then this is the obvious way of doing it."

Like Save and Prosper's Investment Trust Units, Practical is not anxious to rock the boat by getting into conflict with investment trusts, but it does have over 10 per cent. of five investment trusts which it would be prepared to use to further an amicable agreement. I have also got this impression from other quarters so perhaps it would be a good idea if there were some schemes along these lines.

'to the Pacific

:DAY G.T. Management ıg an offer of units in ıa (Sterling) Fund, a ompany which will act 'eeder" fund into the ıa Fund. The concept ler fund based in Jersey relatively well-estab- ı that it enables a U.K. to go for an overseas thout encountering per- the perils of the dollar ı or of raising overseas The initial set-up in G.T. ll be to purchase units Asia two-thirds with bor- oreign currency and one rough premium. Asia is a recent adjunct .T. Group (following the on of Shipping and General Investments in November 1975). Shipping and General was a closed-end fund with which G.T. had had previous affiliations. There is no published performance record worth mentioning, but the point about the fund is that it is one of the relatively few which invest in the "Pacific Basin"—the main emphasis being on Japan —and G.T. reckons that it does know what it is talking about. By comparison with other Asian funds which take their main advice from one or other of the Japanese security houses, G.T. has an office in Hong Kong staffed by half a dozen permanent executives who are closer to the action and have only G.T.'s axe to grind.

'nposing limits

eil known that the Life Associations has been its problems over com- payments to brokers, ıer less evident that the tion of Unit Trusts is ing thoughts about com- s. The point about com- where unit trusts are ed is that the basic com- permitted under the tion's rules is 1¼ per hich comes out of the r's initial charge. But, ree years ago, when the ıtion from life assurance was much stronger, the tion decided that its rs should be allowed to "marketing allowance" the broker was perform- e "additional" service. ıever laid down what this be but it seems to have up at between a further 1¼ to 1½ per cent., putting the effective rate the broker is getting at nearer 3 per cent. than 1¼ per cent. Now there are feelings that perhaps the brokers are beginning to regard this as a matter of course, whether any additional services are performed or not, and the Association's members are being canvassed for their opinions as to whether there should be some limit laid down. A total of 2½ per cent. was the figure mentioned to my informant, but not every one agrees that there should be limitations. Smaller groups in particular are finding it more effective in selling their wares than direct advertising and say that limits would be most advantageous to the big groups. It sounds like the old arguments used in the life assurance field.

Highly Taxed?

Schlesingers 'Nil Yield' Fund is designed for higher rate taxpayers

Also suitable for: Trustees, Children, CTT Planning

Investors are looking increasingly at what matters most from their investments—*the net return after tax.*

For higher rate taxpayers, income yield is far less attractive than capital gains made in an authorised unit trust; to the 70% taxpayer such gains are worth nearly 3 times the same income return.

The table illustrates the point:

GROSS INCOME YIELD NEEDED BY

50% Taxpayer	70% Taxpayer	90% Taxpayer	To equal capital growth of
8·7%	14·6%	43·7%	5%
17·5%	29·2%	87·5%	10%

The solution is plain: to invest for capital growth. However growth investment often involves a degree of volatility unacceptable to most investors.

The objective is to achieve this growth with a higher degree of reliability than a normal equity portfolio investing for capital growth. For this reason the Trident Nil Yield Fund – with the PIMS service – has

Three portfolios in one

1. **Fixed Interest.** An actively managed portfolio of Government Stocks and other fixed interest investments which, together with cash awaiting investment, accounts for 54% of the Fund.

2. **Overseas growth stocks** account for 22% of the Fund and current emphasis is on U.S. stocks with low yields and good prospects of capital growth. Back-to-back currency facilities substantially avoid the risks of the dollar premium.

3. **U.K. equities** comprise the remaining 24% of the Fund by combining high quality, low yielding shares with the Capital Shares of Dual Capital Investment Trusts. This portfolio is well placed to benefit from any recovery of the U.K. economy and stockmarket.

The proportions in the three portfolios are varied according to the Managers' view of investment conditions. The Fund is managed defensively in such a way as to minimise exposure to risk, and is likely to be less volatile than an investment in any one market. However, because of the nature of any equity investment, the Fund should not be bought for the short term.

The aim of the fund is to achieve a net return (in the form of capital gain rather than income) greater than that obtainable from fixed interest deposits, and to achieve a steady rate of capital growth over the long term.

As a guide, in the current market conditions, the Managers are *aiming* for a net return of 10%-15% per annum, before expenses, although of course *this cannot be guaranteed.* A small income which will be accumulated, may arise about every two years, and the first occasion will be October 1976.

Bear in mind that even 10% capital return is equivalent to 29% gross income for the 70% taxpayer.

Remember that the price of units can go down as well as up.

The benefits of PIMS

■ PIMS is the Personal Investment Management Service, exclusive to Schlesingers, which combines the merits of private portfolio management with the tax, administrative and investment spread advantages of an authorised unit trust.

■ Investors receive frequent, detailed reports on portfolio policy and are invited to regular meetings with the investment managers. The PIMS team is always available to provide expert advice.

■ **A Withdrawal Facility** is available to realise a regular percentage of capital in lieu of income. Schlesingers recommend a cautious and conservative approach to withdrawals, but remember that, for a higher rate taxpayer, a small withdrawal can be equivalent to a very high income return, either *tax free* (because of the £1,000 total disposals per annum rule) or subject to a maximum of 12½% tax on the profit element only. The table above illustrates the point.

■ **Share Exchange Facilities** through an attractive, cost-saving scheme are also available.

■ The PIMS service is automatically provided without extra charge for investors of £2,500 and over.

General Information

To invest, use the form provided and units will be allocated at the price ruling on receipt of your cheque. The minimum investment in the Fund is £500 or £2,500 with the PIMS service. A contract note will be sent by return. The Unit Price is published daily in leading newspapers. Any small income arising on the Fund will be automatically accumulated but higher rate taxpayers will be liable for higher rates of tax and the investment income surcharge on any such income. To Sell units, return your certificate endorsed on the back, indicating the number you wish to sell, for which you will receive the Bid price ruling on receipt. Payment is normally made within 7 days of our receiving the certificate. Commission of 1¼% will be paid to recognised agents. Charges. An Initial charge of 5% is included in the Offer price. A charge at an annual rate of ½% (plus VAT) of the value of the Fund is deducted from gross income to meet administrative expenses. Trustees: Midland Bank Trust Company Ltd. Auditors: Peat, Marwick, Mitchell & Co. Managers: Schlesinger Trust Managers Ltd, 19 Hanover Square, London W.1. Members of the Unit Trust Association. Registered in England, No. 955855. This offer is not available to residents of the Republic of Ireland.

To invest, return the coupon to us with your cheque. If you wish to discuss the Fund with your professional adviser first, tick the box for more information.

To: Schlesinger Trust Managers Ltd., Freepost RGC23, 140 South Street, Dorking, Surrey.
Weekend and evening Ansaphone Tel: Dorking (0306) 86441

I wish to know more about 'Nil Yield' PIMS ☐

I wish to invest £ ______ in the Trident 'Nil Yield' Fund at the price ruling on receipt of my cheque.

I would like details of the 'income' withdrawal Facility ☐

A cheque is enclosed in remittance, made payable to Midland Bank Limited.

I understand that so long as I hold units originally purchased for £2,500 or more I shall be entitled to the Personal Investment Management Service

I declare that I am not resident outside the Scheduled Territories and that I am not acquiring the units as a nominee of any person resident outside the Territories. (If you are unable to make this declaration, it should be deleted and this application form should then be lodged through your U.K. bank, stockbroker or solicitor.) Minors cannot be registered, but accounts designated with their initials will be accepted.

Surname ______ (BLOCK LETTERS PLEASE)

First names (In full) ______

Address ______

Date ______

Signature ______

(In the case of a joint application all must sign.)

FT/24.7

Schlesingers 'Nil Yield' PIMS

Finance and the family

Outside the Rent Acts

BY OUR LEGAL STAFF

Referring to your reply under Outside the Rent Acts (June 5), where accommodation is being shared, does this obviate the previous existing registered rent, as well as enabling the landlord to re-possess within the normal period of one month?

Provided there is a true sharing of the whole of the accommodation the registered rent would not apply. However, the requirement of four weeks' notice to quit would still be effective, as that relates to all residential lettings, not only to those within the Rent Acts.

Tax and furnished letting

I am managing a house for my son, who is abroad. I understand that the usual allowance of 10 per cent. of gross rents less rates is resorted to only if the actual cost of the furnishings cannot be established readily. However, the Tax Inspector has written that only the former basis will be allowed apparently as a concession, as capital allowances "on plant and machinery used in a dwelling-house" are not allowed under Sec. 46(1) Finance Act 1971. Is that so, please?

The Tax Inspector appears to have gone too far. He is right in saying that capital allowances (and balancing charge) rules do not apply to the assessment of furnished letting profits under case VI of schedule D, but he really should not try to impose an arbitrary rule-of-thumb upon an unwilling taxpayer simply because it will make his job easier.

The Inspector must exercise his mind in assessing the profit and must make an allowance for wear and tear which is reasonable in the particular circumstances; if he does not, the assessment will be bad and will be set aside on appeal. Where the amounts involved are not large, a reasonable working formula may well be agreed between Inspector and taxpayer, but such a convenient formula cannot be imposed unilaterally.

In the circumstances outlined in your question (and assuming average furniture and average tenants), a reasonable annual allowance for wear and tear might be around 25 per cent. on the reducing-balance basis. If the Inspector refuses to budge, it may well be best to elect for the appeal to be heard by the Special Commissioners rather than by the local General Commissioners.

Although there is nothing to suggest that it would be advantageous in this case, perhaps we should remind you that, if your son wishes to elect to have the profits assessed partly under schedule A and partly under case VI of schedule D, the election for 1974-75 must be made before the end of the present tax year. You will find the legislation on this point in section 67(2) of the Income and Corporation Taxes Act 1970.

The right of survivorship

Where the ownership of jointly owned assets passes automatically to a survivor, is no grant of administration needed in case of intestacy? It there a liability for capital transfer tax and if so how is it discharged?

Although the right of survivorship operates automatically, and therefore without grant of probate or letters of administration, Capital Transfer Tax (and previously Estate Duty) is (was) chargeable, the incidence being directly on the survivor.

London building Acts

I do not question your actual answer regarding the joint chimney stack in Surrey (May 1) but feel that the insertion of the words — Great London — in reference to the London Building Acts could lead readers to a wrong inference. It is not a fact that the LB Acts have force not in the Greater London area but only in the inner London area viz the old London County Council area which was comprised of the then Metropolitan Boroughs and the City of London? Similarly, is it not the case that your answer (May 8) regarding cavity walls of a semi-detached house in Leytonstone refers to the London Buildings Acts but Leytonstone (now in Waltham Forest) was part of the Borough of Leyton which was under the jurisdiction of the Essex County Council not the LCC.

We agree that the London Building Acts in general (although not invariably. do not apply in outer London Boroughs, and the provisions of Part VI of the London Building Acts (Amendment) Act 1939 relatin gto party structures is confined to the old LCC area.

No obligation to repair

A company from which I bought a TV set, and in respect of which I paid a further £45 for two years maintenance in advance has gone into liquidation and the firm which has acquired their assets has written to say that if I wish maintenance to continue, I should pay a further £22. But if the firm acquired the assets, did it not also acquired the liabilities?

The liabilities of the company in liqudation will normally not have been passed on to the purchaser of its assets. The purchaser cannot require you to pay anything more, but can refuse to comply with any obligations to repair which may in future arise. Your choice lies between not paying anything further and losing the benefit of your service contract and guarantee, or paying the new company on the terms proposed.

Unrepresented in court

For a revision of a maintenance order I sought to represent myself, but this was refused since the solicitors were still on the court list as my representatives. Have I any redress?

If neither you nor your solicitor was heard on the occasion when the order was made you could apply to have the order set aside for a breach of the rules of natural justice. However a fresh hearing might well produce the same result, unless you produced facts of which the court was unaware.

Liability of trustees

Could you tell me please what the legal liability of trustees of a society which is a registered charity if the society were unable to meet its financial obligations?

The trustees' liability would be limited to the trust assets available so long as they ensure that all contracts are clearly and expressly made in the name of the trustees as trustees, so that it cannot be said that personal liability was incurred.

Signatures on bearer shares

My bank manager tells me that I must sign bearer share certificates. Is this so?

We do not think it necessary for you to sign the certificates, unless your bank is holding them as security for a loan to you. In that event the bank may properly require signature just as it would require lodgment of signed blank transfers for ordinary shares.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Settlement for children

My wife and I wish to establish a settlement in favour of my children, so that they cannot touch the capital until they reach age 23. How can we best ensure this, so that the increase from the settlement is not grossed up with mine? If a friend gave my children £2,000 a year and this came out of income, and we did the same for his children, would this cause the income to be separately assessed as the children's own?

To deal with your second question first, we should point out that the definition of "settlor" in section 444 (2) of the Income and Corporation Taxes Act 1970 anticipates tax avoidance devices of the type you have in mind:

"444. Interpretation of Chapter II.

(1) In this Chapter "child" includes a stepchild, an adopted child and an illegitimate child. . . .

(2) In this Chapter—

"settlement" includes any disposition, trust, convenant, agreement, arrangement, or transfer of assets;

"settlor," in relation to a settlement, includes any person by whom the settlement was made or entered into directly or indirectly, and in particular (but without prejudice to the generality of the preceding words of this definition) includes any person who has provided or undertaken to provide funds directly or indirectly for the purpose of the settlement, or has made with any other personal reciprocal arrangement for that other person to make or enter into the settlement. . . .

On the other hand, the £2,000 annual exemption is not subject to the standard-of-living conditions you suppose; that condition applies to gifts on which exemption is claimed under a different provision. . .

The objectives you seek can probably be most nearly achieved by an accumulation-and-maintenance settlement which satisfies the criteria specified in para. 15, sch. 5, F.A. 1975, but the income will of course be subject to tax at 50 per cent. under section 16 of the Finance Act 1973. With the prospect of continuing inflation, a possible wealth tax and the possibility of a more wide ranging basis of aggregation of children's income to include accumulations, you might well reconsider your proposal to postpone the vesting of the capital for five years beyond the age of majority, but this is a question which you and your wife must decide for yourselves.

Insurance

A policy of health

BY JOHN PHILIP

POLICIES providing personal disability cover, whether annually renewable contracts or non-cancellable permanent health insurances (PHI) are normally policies not of indemnity but of benefit. The policyholder has to prove the fact of disablement, within the terms of his policy but not the extent of his financial loss during the period of disablement, so that in theory at least and sometimes in practice, he may collect his insurance cheque, even though he has sustained no loss of income nor incurred any medical or hospital expenses.

In practice insurers try to prevent the individual policyholder from so making a profit out of his disablement except in the very short term. Annually renewable accident or accident and sickness policies are sold without apparent regard to the proposers' income, but all insurers selling this kind of cover apply a number of underwriting rules of thumb. These rules are usually designed to correlate the proposer's occupation with the level of weekly benefit he seeks to buy: there is of course a yardstick in the national average earnings which are now around the £60 a week mark. So the proposer who wants £200 a week benefit may well have to tell insurers something of his personal circumstances before they will sell him a policy for this amount.

There is a tax factor to remember when you are arranging cover, particularly under an annual policy. You should normally aim to replace your probable loss of income, after tax, this because the Revenu practice is not to charge income tax on insurance disablement benefit until it has been received for a full fiscal year. So if you insure for £50 a week under an annual PA policy which pays you up to 104 weeks benefit from the date of injury and you are injured now, in July 1976, you will not have to pay any tax on your benefit unless and until your disablement continues into the financial year 1978/79 and then only in respect of benefit that is received in that tax year.

The same tax point applies to benefit payable under a PHI contract, but when you buy a PHI policy, you are buying protection against long term disablement (just as much as against a general deterioration of health which might cause insurers under an annual policy to refuse renewal). Therefore you must have regard to the level of benefit you may receive after the tax man has had his slice—for example if you time your disablement badly you may have only just over a year's tax holiday, and pay tax for several years thereafter.

When you buy an annual disablement policy you will almost certainly find that there is a condition requiring notification to insurers of the purchase of any further disablement cover other than by way of holiday or what is sometimes called "coupon" insurance. Non-notification, like breach of any other condition may involve a penalty when a claim is put forward.

Permanent health insurance is not as simple as it sounds. There are implications to be considered

The purpose of this rule is to enable insurers so far as possible to make certain that cover and potential loss of earnings do not get out of step. If, for example, you earn around £5,000 a year net of tax and have cover for £100 a week benefit with company A, this condition will preclude your buying another £50 a week insurance from company B without notifying company A and so giving them the chance to reduce your £100 a week benefit unless you can show some positive cause to the contrary. Equally and almost certainly in proposing to company B you will have to disclose your pre-existing insurance with company A, and you may well find that company B will not then be willing to provide you with any additional cover.

In the PHI market insurers tackle the problem of matching cover to earnings in a rather different way, but nevertheless by policy condition. The majority of PHI insurers limit the benefit receivable to three-quarters of the polic average weekly incom period prior to dis This limitation applie the amount that th holder gets under the p policy but under all dis insurances held.

So if you are a PH holder, when you cl have to give proof of weekly income prior to ment and to say what c ablement cover you Taking a simple examp have policies with t panies, both contai similar three-fourths c your benefit from eac will be proportionately to bring the total into i proportion to your weekly income.

Insurers' calculation ally take no account o tax liability, but abo third of the insurers market positively state will bring into the r any national insurance received: this of course effect of reducing fur amount of cash the PH holder can collect.

There are however a of other variations financial limitation th example, one office ta account any disablem sion paid by an emp former employer, while ignores any NHI benefi respect of children, whi take no account of NH except at the single-per There are some offices pose a positive financ to the amount of ben able, but these are nor no concern to the ordir chaser, though the f year buyer must wat provisions carefully. A annually renewable c about half the PHI have conditions in their requiring notification purchase of any other ment cover.

So when you are bu cover you should get a policy and read caref understand clearly w chosen insurer's p limitations are in this before you settle on th you need and pay the There is no point in premium for £100 benefit if when the made insurers are only pay out £75 a week.

Taxation

Looking at what's left

THE FINANCE BILL has now completed all its stages in the House of Commons. It has emerged a very different Bill.

Schedule 6 dealing with the snooper's charter has undergone drastic surgery and many of the representations made by professional bodies and others are reflected in the amendments eventually agreed by the Government. It is still a thoroughly objectionable piece of legislation and indeed it is being argued that its inclusion in the Finance Bill means that it is not a pure "money Bill" and that the House of Lords (which still manages to retain some role as the last, although alas too weak, bastion protecting the citizen against his oppressors) should have a chance to amend at least this measure.

The other main charges involve benefits in kind. I have already reported that the proposal to charge employees on the basis of the arms-length price of goods supplied or services rendered to them on beneficial terms by their employers has been dropped. The provisions on beneficial loans to employees have not been much amended as such, but their operation has been postponed. They will first come into effect for years beginning April 6, 1978 and 1979, when only half the alleged benefits will be taxed. The provision will only come into full force from April 6, 1980. The provision dealing with shares acquired on favourable terms has been amended so that it does not apply to shares acquired on or before April 6, 1976. It will not after all bankrupt half the country's business executives, but there still remains a further, highly objectionable, assault on those in employment who are seeking to achieve a measure of financial independence.

There have also been changes in the rules governing the use of company cars.

There is also a rough justice provision by which the benefits to be taxed are halved if the individual uses the car for 25,000 miles or more for business purposes. As many correspondents in this and other newspapers have pointed out, this can produce some odd results. A sales representative covering the North of Scotland may well cover over 25,000 miles in a year, while someone covering an urban area who works equally hard will, in the nature of things, cover a much smaller business mileage. Ironically, the Scottish representative may obtain a far greater value from leisure use of his car than does the city dweller who has adequate public transport available to him.

A working party has been set up to "examine the treatment for tax purposes of living accommodation and related services provided by employers in the light of recent decisions of the Court on "representative occupation" and the provisions of the current Finance Bill and having regard to repercussions on making law and to make recommendations." This, one suspects, follows attempts by the Opposition to show that if *citizens* are to be taxed on the perquisites of their job, Ministers of the Crown should be no more facvourably treated. The principle that those who make the laws should abide by them is an excellent one, but one which has been honoured more in the breach, particularly in the notorious case of Parliament voting excessive National Insurance contributions on the self-employed, but at the same time voting to ensure that for this purpose and this purpose alone they should themselves cease to be regarded as self-employed.

The assault on benefits in kind interacts in a very unfair way with the pay policy. A company may have entered into a perfectly reasonable arrangement with its employees as a result of which they get part of their total remuneration in the form of benefits which were in the past favourably treated for tax purposes. The tax rules having changed, it is only reasonable that the arrangement should be changed. If someone was given a company car as part of his terms of engagement and he now finds that he is to be taxed on the benefit, it may well be that he would rather do without the car and take the cash. It is not possible under present arrangements to make this change.

In the last $2\frac{1}{2}$ years taxpayers, particularly those at executive level, have been imposed upon in no less than four different ways. First, nominal rates of tax have been increased. This hits everyone and is a direct consequence of Government profligacy. Second, the tax burden has gone up proportionately far greater than would be indicated by laws actually passed by Parliament because of "fiscal drag." Anyone lucky enough to have his real income remain constant and his money income keep pace with inflation has been pushed into ever higher tax brackets. Third, incomes policy has been imposed in a totally unfair way which makes it impossible for real incomes to be maintained for a large and important section of the community. Fourth, a number of perfectly legitimate and reasonable tax shelters have been removed to the point at which many alleged benefits, which are not benefits at all, are in fact taxed. It used to be said that although 75 per cent. top rate on earned income was unreasonably high (and it is), it was acceptable because there were a number of perfectly reasonable ways in which its effect could be mitigated on those who might otherwise be liable to it. The move to an 83 per cent. rate (coming into effect on a real income of little over half the real income at the 75 per cent. rate started to bite under the old regime) and then to close the loophole through which it was said that this system had breathed, shows a remarkable insensitivity to realities of life and to public opinion outside those circles where the main topic of conversation is the rousing of rabbles.

Four weeks ago I discussed how Parliamentary procedure was being abused in the case of the Finance Bill (and two weeks ago I showed how this point could be illustrated from Adam Smith's Principles of Taxation). There is now a new and particularly noxious example.

The Chancellor announced on June 8 that he proposed to introduce a new provision to counter a form of tax avoidance based on artificial interest payments. The relevant new clause was (one suspects deliberately) not tabled during the Committee Stage, but only put down, a month after the original announcement, for Report Stage. There was virtually no time for any public discussion of the implications of the clauses drafted and it did not have the benefit (essential in the case of technical legislation) of discussion in Committee. The closing of a loophole is fair game and no responsible Opposition would be entitled to object to a measure designed to counteract any improper tax advantages, provided of course that there is no element of retrospection. However, the Clause as it eventually appeared is quite unnecessarily wide and may well, in the long run, be used by the Revenue for purposes quite unconnected with its alleged intention.

The key words are "relief shall not be given where there are doubts in respect of any payment of interest if a scheme has been effected or arrangements have been made (whether before or after the time when the payment is made) such that the sole or main benefit might be expected to accrue to that person from the transaction under which the interest is paid was the obtaining of the reduction in tax liability." There is a relevant and highly dangerous precedent in what started life as Section 28 of the 1960 Finance Act (now Sections 460 to 464 Taxes Act 1970). This section was allegedly directed at dividend stripping, but it was vaguely worded and has subsequently been used by the Revenue to produce serious miscarriages of fiscal justice. This new section might enable the Revenue to argue (and they did under Section 28) that if a tax advantage is obtained for the payment of interest, they can recompute the taxpayer as if he had so ordered his affairs not in his best interests, but in such a way as to pay the maximum possible tax that the Revenue can calculate. The Opposition should surely pledge themselves to the repeal of both this and the earlier provisions and to substitute more precise anti-avoidance provisions directed at their target and at their target only.

JOHN CHOWN

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Chess

The young and the toug

"JUST AS tough as Yugoslav juniors, more hard-working, but a little too bookish." This assessment of Britain's young players came a few days ago from the international master Nikola Karaklaic, who took part in the Robert Silk tournament at the City of London festival and in the Surrey congress at Wimbledon. Yugoslavia is the No. 2 chess country after the USSR and Karaklaic is a former national champion.

The Robert Silk Fellowship prize, a sponsored visit to Russia and Eastern Europe for international play, has already provided three of its former winners with opportunities to compete in strong events in Moscow, Odessa, and Sarajevo.

This year the organisers had the novel idea of including Karaklaic as a kind of chess examiner to test the skills of his nine young opponents who competed for the Fellowship. It was a shrewd choice, for Karaklaic, who away from the chessboard is a disc jockey on Radio Belgrade, is especially good in endgame play which has for long been a notoriously weak feature of British chess. "All my young opponents treated me with respect and caution when we reached endgames," he commented.

In the event, the examiner shared first place with four of his students: Pigott, Mestel, Povah and Littlewood tied with the IM's score of $5\frac{1}{2}$ out of 9. Under the tie-break rules, John Pigott, of Nottingham University, who has already won the British Lightning (10 seconds per move) championship, was awarded the Fellowship and its chance to take on the Russians ahead of the pre-tournament favourite Mestel.

Karaklaic featured in another tie at Wimbledon, where he and John Nunn, a former winner of the Silk Fellowship, both scored 5 out of 5.

The Silk event played at St. Botolph's church hall, Bishopsgate, gained in status this year as part of the City Festival, and Mr. Donald Silk, Chairman of the sponsors Property, Equity and Life Assurance, plans to stage it in the City again in 1977.

London was the Mecca of chess a hundred years ago, and the tournaments of 1976 should help to make the capital once more one of the great European centres for the game.

Thus next week-end's National Bank of Dubai and Evening Standard congress at the Europa Hotel, Grosvenor Square, in which anyone from master to beginner can take part, already has a likely 1976 world record of 800 players; Mrs. D. Lee (01-346 4837) can give information to late entrants. On September 11 there is the Lloyds Bank London v. New York telex match.

This week's game was among the best in the Silk tournament, and shows in entertaining style the tactical opportunities with a "fianchettoed" bishop at KN2 if your opponent develops queen's bishop pre Black's entire elegan arises from White's m placing his bishop at then blocking it out P-KB4; note how the b mains a target thereaft the end is just a foil fo witty finish.

White: P. E. Littlewo A. J. Mestel. Sicilian (Robert Silk tourname

The opening mov 1 P-K4, P-QB4; 2 N-KB 3 P-Q4, PxP; 4 NxP, 5 N-QB3, P-KN3; 6 B- 7 0-0, N-B3; 8 N-N3, 0-0; (better B-K3 or P-B4 10 P-B4, P-N4! 11 Bx 12 BxN.

12 NxN, Q-N3 ch is essentially the game comes a war of movem White's QB cut off action.

12 . . . Q-N3 ch: 1 QxB; 14 BxP, NxN; B-Q4! 16 R-KN1, KR-K1 BxBP: 18 R-N1, R-K5; 1

Giving up a pawn in of some play: if 19 B- increases the pressure or P-QR4.

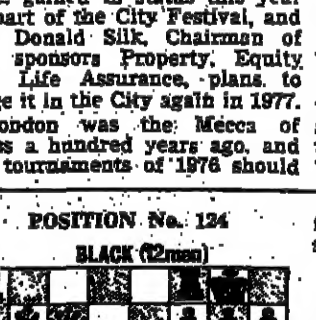
19 . . . RxP; 20 B- 21 Q-Q1, R-K6; 22 B- 23 N-Q4, Q-B5; 24 N- 25 P-KR3 (White sees is threatened so makes his king . . .) R-R5! (. . move still works); Q-KB5! 27 Resigns.

Easy to understand game of real class. Me 19, is the youngest play England team for the 1 olympics.

LEONARD B

POSITION No. 124

BLACK (12 men)

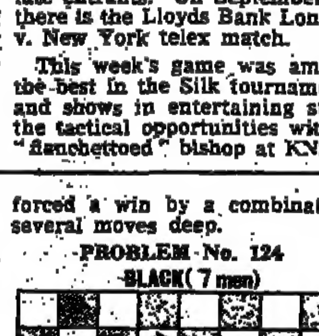


WHITE (11 men)

G. F. Harris (Worcs.) v. J. Kirk O'Grady (Cheshire), inter-county postal championship 1975. White (to move) sacrificed a pawn for this position, and the puzzle is to find how he now forced a win by a combination several moves deep.

PROBLEM No. 124

BLACK (7 men)



WHITE (7 men)

White mates in two moves, against any defence (by P. H. Williams).

Solutions, Page 2

Bridge

Out of difficulties

IN A RECENT session of rubber Bridge, I had just cut out and was watching when South dealt this interesting hand at game and 60 to North-South:

N.
♠ K 10 9 7 3
♥ 10 5 3 2
♦ 9 6 3
♣ 4

W.
♠ J 6 5 4
♥ K J 9
♦ J 4
♣ A 9 5 2

E.
♠ —
♥ A Q 7 6 4
♦ K Q 8 5
♣ Q J 8 6

S.
♠ A Q 8 2
♥ 8
♦ A 10 7 2
♣ K 10 7 3

South opened the bidding with one spade, and North raised to two spades, East doubled and—that ended the auction. West's failure to take out is inexcusable—his trumps are not good enough to leave the double in. If he bids three clubs, East can try three hearts, and a contract of four hearts will be reached.

Let us first consider what actually happened. Against the doubled spade contract West led the diamond Knave, East encouraged with the eight, the Ace won, and the eight of hearts was returned. West took this with his Knave, and led his other diamond for his partner to take two tricks in the suit.

East now tried to cash his heart Ace, but this was ruffed with the two of spades, and the declarer led the ten of diamonds, on which West decided to throw his King of hearts; while the singleton club was discarded from the table. The three of clubs was ruffed with dummy's three of spades, a heart was ruffed with the Queen, a club was ruffed with dummy's seven, and the last heart was ruffed with the Ace.

At this stage West, who had to underruff the last trick, was left with J 6 5 of spades, dummy had K 10 9, and the declarer had 8 of spades and K 10 of clubs. She led the spade, but had to overtake in dummy. This allowed West to make his Knave and hold the overtricks to one.

The declarer should, of course, ruff the second club with dummy's nine of trumps instead of the seven. Then, when the three-card ending is reached, South's eight of spades holds the trick, and the club which follows executes a satisfying trump coup against West, and scores an extra 200 points.

Now for what might have happened in four hearts. Let us turn the hands round:

N.
♠ J 6 5 4
♥ K J 9
♦ J 4
♣ A 9 5 2

W.
♠ A Q 8 2
♥ 8
♦ A 10 7 2
♣ K 10 7 3

E.
♠ K 10 9 7 3
♥ 10 5 3 2
♦ 9 6 3
♣ 4

S.
♠ —
♥ A Q 7 6 4
♦ K Q 8 5
♣ Q J 8 6

West leads the spade Ace, South ruffs, leads a diamond to the Knave, and ruffs another spade. The King of diamonds loses to the Ace, and West leads another spade—it does not help him to lead his singleton trump—which is ruffed in hand. The Queen of diamonds is club is led to the Ac table, and the last ruffed. That is seven the bag, and the Ac Knave of trumps are three more.

If West, after taking mond Ace, does lead of hearts, dummy's played. East must eit leaving the lead on for another spade ruff his ten. If he cov declarer wins, cashes mond winner; and cross club Ace for a third sp The fourth diamond is the table, and the last ruffed with declare trump, and he again m tricks.

So the original We passed his partner's double, had a lot to ans Instead of scoring levelling the position game all, he lost 1070 might have been 1270 declarer had been m sighted.

E. P. C. CC

هكذا صار الأصل

Motoring

easant ·lica

JART MARSHALL

Toyota Celica liftback.

:ONE PUT ME. blind- und the wheel of a Celica Liftback, un- my eyes and told me it, within a mile I would lay 100-to-1 Japanese car. Why: clue would be the They are precise and the point of being The five-speed gear- ne of the those finger -b affairs that knows where you want it to steering, too, is almost with just a trace of around the middle a mock wood-rimmed it is a mite out of contemporary Euro- ?.

he engine. It starts from cold on its auto- ke, warms up quickly, ard as it does so. And easily and quietly, thout vibration, up to v cautionary mark on ounter at 5.400 r.p.m.. equal to nearly 100 fourth gear and, m any rate, over 115 fifth.

up to the 6,200 r.p.m. :, the engine sounds der: yet it also pulls ,000 r.p.m.. represent- p.h. in fifth gear.

warm day, so you need The heater/ventilator are marked so simply uls that a chimpanzee erstand them. (I often heater controls of a ar more difficult to the car itself.) Cool s from four grilles on m. almost like air m:

astruments are clear, ryoid parallax error non-reflecting glasses, a dead accurate clock, y lights on the door ouger an excellent en AM/FM radio and up n.adm. light with a ited beam. The wood ors ha' instant patina. Incapple glitter. The bonstered in a corded cloth, are comfortable, reclin- able and have easy-tilt backs to give access to the rear, which European sized people still find awkward to enter and leave and not all that roomy while sitting there.

From the front, the Liftback looks much the same as the Celica with a normal luggage boot that has been around for several years. In profile, the roof has been swept back and the whole rear panel lifts up. The 3 feet long by 4 feet wide luggage floor, extends to 4 feet 6 ins. long with the rear seat down. Two thoughtful touches are a roller blind which press-buttons to the sill to keep the boot contents hidden from passers-by, and straps to hold down anything big and heavy (like an outboard motor) you might put into the Celica when using it as a semi-estate.

On the debit side, the ride —good by Japanese standards —is not what one expects of the better European family coupés. On smooth roads, the Celica rides well enough, but it gets bouncy on bad ones and the rear wheels can be made to patter about on roughly surfaced corners. The car doesn't roll very much, but if you push it hard round an acute left-hand bend, it may lift its inside wheel enough to make it spin —the wheel, not the car. On anything other than rough roads, however, the Celica handles most competently and the Japanese made Dunlop radials have good wet grip.

It looks rather nice: a bit like a sealed-down American fastback of a year or two ago. Underbonnet accessibility is as good as one expects it to be on a Japanese car which means you can check the oil or the battery without getting dirt half way up your arms. The engine needs only two-star and I had no trouble getting 31 mpg for a mixture of town and motorway driving.

At £2,989 the fully-equipped Celica ST2000 Liftback is priced in between the Ford Capri 2000GL and 2000 Ghia (the cars it is logical to compare it with) and is dearer than the Colt Celeste, its just £60 dearer—though better equipped—than the Ford V6 engined Capri 3000S I drove a few days after I had finished testing the Celica.

I had not tried a Capri for a couple of years and the 3000S impressed me with its potent performance. I liked the white paint and all-black trim, though not the finger bruising door handles.

It felt a blunter instrument than the Celica or, for that matter, the Colt Celeste, but had more urge than either of them. The Capri's four-speed gearshift is nowhere near as nice as the Japanese cars' five-speed—but who needs a five-speed box in a small, light car with a hefty great V8?

The question has to be asked: why buy a Celica or Celeste instead of a Ford Capri? The real justification (other than those delightful five-speed gearboxes) has to be the desire to own something different. The Capri has become the victim of its own popularity.

Essentially, a personal car like the Capri should be more exclusive than the family saloon its mechanical components come from. The Capri has become so familiar that it must be tempting to buy a Celica just because it looks different. Happily, for this kind of customer, it turns out to be a very pleasant car to live with.

Golf

An odd month indeed for everyone

BY BEN WRIGHT

THE LAST month in world golf has been an unusual one in every sense, an observation which is in no way intended to reflect disparaging on Johnny Miller's victory in the 105th Open Championship at Royal Birkdale. But in itself this was one of the strangest championships we have seen in a long time.

The month started for me with a much anticipated first visit to Butler National Golf Club on the outskirts of Chicago for the Western Open. This course is fast gaining a reputation, and rightly so as the toughest in the world. Butler is nationally rated at 78.2 off the back tees, although for the professionals it carries a par of 71. A comparatively new brain child of the distinguished architect George Fazio, it was first used in 1974 for the Western when Tom Watson won with a total of 287. In 1975 Hale Irwin won with 283, the highest score on the tour last year. But the field average 75.34 strokes for 406 rounds played, also the highest average of 1975.

The trouble for the players about *Butler is that a murky*, sluggish river known as Salt Creek, its various tributaries sundry ponds intrude at no fewer than 11 holes. In addition Kentucky blue grass is on the fairways, and the great players assert that such a type of grass gives them "flying" lies. Most of the great players avoid Butler like the plague. Missing from the 1976 Western were Jack Nicklaus, Arnold Palmer, Gary Player, Miller, Ray Floyd, Hubert Green and Gene Littler, amongst others. By the end of the week-end several players may well have needed treatment for shock.

Early on the first day Brue Fleisher, the 1968 U.S. amateur champion, hit four balls out of bounds on the paf four sixth hole for a 12 in an otherwise excellent round of 82. On Friday the immensely experienced Julius Boros dunked four balls in the pond to the left of the 14th fairway to match Fleisher's feat on the way to a n87. On Saturday R. H. Sikes hit six balls into water for a total of 91, and had the courage to come out again the next day and score 74. Bobby Cole drowned five balls in his round of 80: and both he and Sikes were down to their last egg on the water-strewn 18th hole. Lanny Wadkins took a canoe ride across a lake rather than walk around its banks as he soared to an 86th and withdrew, just as had Tom Weiskopf midway through his second round without a satisfactory explanation.

If the Western Open was a trifle weird, the Open Championship was surely its equal.

SPORT
Olympics, the Test Match and Racing.
See page 15

Apart from the shortcomings at Royal Birkdale and Southport to which I referred last week, *I don't suppose the first round* has been, or ever will be led by an Irishman, a Japanese and a teenaged Spaniard.

But if hundreds of people were crowding into the exhibition tent as these youngsters grabbed their moments of glory to gaze at such absurd goodies as a set of titanium-shafted clubs retailing for £1,000, and a seal skin bag at the same price—they were both sold by the way—there was something even stranger in Miller's decision to use a brand new graphite-shafted set of clubs instead of his tried and trusted steel. That has to have been a desperate, rather than a calculated gamble in the circumstances, although Miller had the good sense to stand by his steel-shafted No. 1 iron, wedge and sand wedge.

While talking of gambles there was 19-year-old Severiano Ballesteros flashing away at full bore and after days still leading the field and threatening to become the youngest winner since Young Tom Morris in 1868. Meanwhile the U.S. Open Champion, 22-year-old Jerry Pate had bowed out less than a month after his triumph in Atlanta, Georgia, after a horrific third round of 87, during which he admitted to having "thrown in the towel." Defending champion Tom Watson, who could never be accused of so doing, made his own ignominious exit after a third round of 80.

The following week at Westchester, New York, Watson had a chance to win the $60,000 first prize in the American Express Westchester Classic which eventually went to Australia's David Graham, who led from first to last. The incredible Miller, a reluctant performer suffering an understandable let-down after his British triumph, also worked himself into a chance to win there. Since Graham had last won in America in 1972, and had finished tied for 21st place at Royal Birkdale can easily be seen that following the form of professional golfers as a punter is no easier than playing the horses.

Alas, Weiskopf walked out again without explanation at Westchester, this time after 12 holes of his second round. I am reliably informed that his second round, I am reliably informed that his second consecutive walk out from an American tournament might earn him a heavy suspension from the USPGA Tour.

Tom Weiskopf

Arguments raged loud and long in eWatchester about the right of a player, or lack of them to withdraw at any stage *during a tournament. Golf is* such an individual sport that the right to walk out could be arguably the same at that of the author to scrap his manuscript or the artist to slash his canvas to pieces.

But the most serious aspect of these sudden withdrawals by an yplayer fro many tournament is that the fugitive concerned has deprived a young hopeful from a chance of making money in the event—a considerably offence—not to speak of the debts owed by such super stars as Weiskopf to the paying public.

It has indeed been an unusual month.

So nice beside the seaside

...ys rivieras proliferate. ...to be found not only ...e but throughout the ...here seems to be a "...conosism" about the ...at every place ought ... Even so, the Eng... ...ated on Torbay, least have some peal

...mate there is mild, in... ...ost benign, and the ...s certainly contribute ...-tropical flavour. Tor... ...lf, as the single most ...resort, still retains ...old charm and provides ... quiet for those who ...nt of season to escape ...harshest rigours of ...lsewhere.

..., with the attractive ...bour as its focal point, ...changed outwardly as ...many of its rivals, ...the visitor—tourist ...really fit the Torquay ...n find a very wide ...accommodation, many ...ading hotels, ...furbished, maintain the ...of standards and ...at recall a more lei... ...time when elegance ...ost something. Tor... ...mous Imperial Hotel ...status its international ...h a series of gastro... ...eekends held in the autumn and winter. I wined and dined there extravagantly when the Brenner's Park Hotel in Baden-Baden served up some German gastronomic delights with not a franfurter in sight!

Anstey's Cape, near Torquay.

Paington, in contrast, offers a brasher, more candy-floss, scene ...ent, as I always prefer to stay in a place which pre-dates the tourist invasion of the West Country and still goes about its workaday life. I would settle for Brixham, which still remains to-day a fishing port rather than a seaside resort.

Brixham is an enchanting huddle of houses rising in tiers like a rather untidy house of cards.

Parking a car in Brixham, which knew its greatest days long before the age of the internal combustion engine, can be a real problem: some of the corners are so acute that it involves a descent down one street, a spot of reversing and a return journey in the opposite direction. You then hope that the vacant space will not have been occupied in the meantime by someone reversing in the opposite direction.

It is a place in which to wind down. Getting worked up about the parking problem achieves absolutely nothing. Once having rid yourself of the car, walk in the little town itself.

Brixham is a boat place with a very attractive yacht club that provides the normal reciprocal facilities for visiting yachtsmen. The talk in the bars that run along the quayside is of boats and of the sea. I spent a pleasant hour in the Quayside Hotel's Ernie Lister bar, named after a local worthy and tastefully decorated in Victorian style, before sampling a superb sea-food platter of really fresh fish at a nearby restaurant.

In these days, just as everyone wants to have a riviera, so the use of a logo appears to be becoming increasingly obligatory. Brixham has a musical one, recalling that one of the town's most famous vicars was Henry Francis Lyte who wrote "Abide With Me." Time in Brixham is of little importance, but that favourite hymn tune peals out at regular intervals from the tower of the parish church where he was formerly the incumbent.

At the time when vicars were often large landowners, the Lyte family owned the area around Berry Head. It is only a short distance from Brixham and you can stroll through the remains of the fairly massive Napoleonic forts and, after visiting an imaginatively laid out information centre with illustrations of the local wild life, work up a splendid thirst by walking back along the cliff path that leads into the sheltered little harbour.

If you prefer land as opposed to sea transport, any of the Torbay resorts are good bases from which to drive inland and explore Dartmoor while, for aircraft enthusiasts, I would certainly recommend a trip to the Torbay Aircraft Museum where the curator, Keith Fordyce, a tremendous enthusiast, keeps adding to the collection of vintage aircraft.

In common with other popular holiday areas, Torbay tends to burst at the seams during the main holiday season, but the resorts of the English Riviera are at their most delightful if you can manage to avoid those few peak weeks of high summer.

Addresses: Imperial Hotel, Torquay, Devon. Torbay Leisure Services Department, Lymington Road, Torquay TQ1 3EY. West Country Tourist Board, Trinity Court, Southernhay East, Exeter EX1 1QS.

PAUL MARTIN

...end £: Austria 37, Belgium 1.66, Italy 1,650, Greece 62, Switzerland 4.40, U.S. 1.775. ...clays Bank.

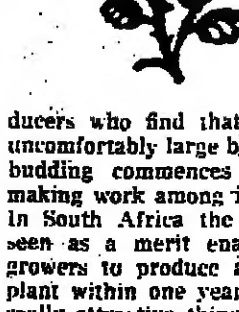
...rdening

Surrounded by suckers

...onsiderable sympathy ...dy at the Oxford rose ...e who complained that ...t problem was suckers. ..., too, my worst enemy ...enormous plant of ...grown not in the ...ay as a climber but as ...among bush. It is on ...y vigorous kind of ...gh sucker madly and ...ong fat branches hang ...directions ready to do ...only harm to anyone ...roaches clad in less ...it suit of armour. The ...s also complaining ...out big bushes, in her ...ty old garden varieties ...n fairly large beds so ...as necessary to crawl ... and knees beneath ...get at the offending

...onference, an inter... ...one organised by the ...tional Rose Society as ...heir centenary celebra... ...rew some interesting ...the whole vexed ques... ...se stocks, of which ...suckering is just one. ... had not realised that ...ms of the dog rose, *Rosa canina*, are among the worst offenders in sucker production. In Britain *R. canina* has always been a favourite root stock both with commercial producers and with amateurs, the former liking it because it can be readily (though somewhat slowly) produced from seed and relatively cheap supplies have long been available from Europe, the amateurs because it is a native plant known to be hardy and widely believed to be both reliable and long lived. The snag is that seedlings, even of selected strains, vary widely and so the results they produce, including the number of suckers, is not completely predictable.

Countries less traditional or chauvinistic in their outlook have long abandoned seedling R. *canina* in favour of more uniform stocks. South African delegates to the conference said that they had no use for seedlings of any kind, but preferred cuttings which exactly repeated the characteristics of the parent plant. In fact they appear to use cuttings from one rose species only, *Rosa multiflora*, and have selected a number of clones which produce very different results. This is a very vigorous root stock, too vigorous apparently for some British pro-



ducers who find that it grows uncomfortably large by the time budding commences in June making work among it difficult. In South Africa the vigour is seen as a merit enabling the growers to produce a saleable plant within one year. But the really attractive thing about *R. multiflora*, or at any rate those forms of it used in South Africa, is that they sucker very little.

Working with stocks of such uniformity the South Africans have been able to study the interaction between stock and scion in a way that would not be possible with variable seedling stocks. Their results are fascinating. No single root stock has emerged as the best for all rose varieties, in fact there are very marked differences in such important matters as percentage of unions and number of flowers produced per plant. Ideally it would seem that certain stocks should be used for certain varieties and the South African research workers appear to have amassed sufficient information to make such recommendations, though only for South African conditions.

They are also taking a great deal of trouble to keep rose stocks clear of virus infections since these are passed on immediately to any garden roses budded on to them. In Britain it would probably be of little value to do this until virus-free clones of garden roses are available to work on to the virus-free stocks. It is certainly something that could be done, just as it has been done with some fruit trees, but with them there is a powerful financial stimulus to offer virus-free plants since commercial fruit producers, who are the biggest customers, are willing to pay more for virus-free trees. So far there appears to have been no corresponding demand for virus-free roses, any more than there has been for uniform, or even reasonably sucker-free stocks. Maybe it is up to the rose buying public to make the first move.

Meanwhile my own answer to the sucker problem, as it was my advice to the Oxfordshire lady, is to grow as many roses as possible on their own roots. Then suckers, if any, cease to be a menace and can actually be encouraged instead of being attacked, since they, too, will produce fine flowers exactly like those of the plant from which they grow. The fact that they come straight from the roots does not matter at all and can be a positive advantage since it makes it possible to cut out some of the older, and therefore less productive or more diseased, stems at ground level, leaving the suckers to take over.

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The Arts

Cage in La Rochelle Festival

BY DOMINIC GILL

In 1912, the year John Cage was born in Los Angeles, his father, John Milton Cage, established a world underwater record by remaining submerged in a submarine of his own design for 13 hours, with 13 people on board, on Friday, June 13. In the practical implications of the experiment he was not interested at all. The act itself, he insisted, was its own justification.

What form should a review of John Cage ideally take—the homage (or irony) of a perfectly blank space? A straight review, its paragraphs shuffled according to chance operations dictated by the *I Ching*?

"For me, composition is not making choices, but asking questions . . ."

The Rencontres Internationales d'Art Contemporain, which split off five years ago from its parent Royan and moved north along the Atlantic coast of France to the larger and prettier town of La Rochelle, marked its own fifth birthday this year by celebrating — like festivals everywhere else—the 200th birthday of the United States of America.

The Festival programme once again offered a lively variety of music, dance, theatre and film—Americana *partout*. Mixed with an interesting, respectable list of musical names (Charles Ives, Elliott Carter, Steve Reich, Terry Riley, George Crumb), though spread somewhat thinly over two weeks, was an intriguing assortment of composers who might have been picked at random from an inclusive-tour bicentennial hat: Frank W. Becker, Charles Boone, John Ferrito, Peter Lieberson, Donald Martino, Loren Rush, Joseph Schwantner, Brian Schober, Dorrance Stalvey and Russell J. Peck—this last having achieved the distinction, according to his biography in our programme-book, of composing his first opera some 16 years before he was born.

I was disappointed not to be able to stay long enough to judge the bicentennial worth of any of these. But during one long week-end, it was La Rochelle's *coup* to procure the personal attendance of the doyen of the American avant garde, or more precisely the Father (if Satie then is the Grandfather) of Experimental Music itself, John Cage. For four days, Cage was a presence in the town: at concerts, rehearsals, discussions, *rencontres, colloques*. A provocative, radiant presence: "I do not understand John Cage," a solid and traditionally-minded French colleague said to me at the end of the first day of the Cage week-end, "but the attraction, the aura, of the man and the music is undeniable. We come out of its presence, and we don't know why, but we are feeling good! He is necessary. His optimism renews us all."

"John's music is very different from that of other composers. When I'm performing it, I feel more free, and at the same time more intensely aware"—David Tudor.


John Cage

The main event of the Cage programme was the world premiere in its complete version for 86 players of *Atlas Eclipticalis*, performed simultaneously with *Winter Music* and *Solo for Voice 45*. But we also heard some more recent compositions, notably the first ten of the new *Etudes Australes* for solo piano, and a performance by Cage himself of extracts from *Empty Words* for amplified voice. There were no new departures (although in a sense, every Cage work is a new departure)—but rather a remarkably consistent extension and confirmation of the quite straightforward and explicit Zen-Buddhist aesthetic which Cage not so much adopted as adapted to himself in the early years of the 1950s (the "second period," whose beginning is roughly marked by two famous *succès de scandale*, the *Imaginary Landscape No. 4* for 12 radios of 1951, and the silent piano piece 4'33" of 1952).

There are 32 *Etudes Australes*, divided into four books of eight *etudes* each. Only the pitches and a few general distinctions of duration, are given by the score, which Cage prepared by a system of chance operations from a book of star maps of the southern hemisphere, Atlas Australis. Tempi and dynamics remain free for the performer to choose. The music "sounds" like a star map: a complex pattern of points of light and silence, delicately coloured by shimmering ghost resonances from a group of bass notes silently depressed and held down throughout each etude.

The special character, and challenge, of the *Etudes* is their very openness: pianists should find it fascinating, and rewarding, to work out for themselves different schemes for performance—very quiet, very loud, even, uneven, consistent, inconsistent. We had already heard the European premiere of a selection from the 32 played in London at the ICA a few weeks previously by the American pianist Richard Bernas—a delicate, crystalline reading, full of fine dynamic shading and the widest range of tone-colour: an impressive account, which drew from the notes the greatest variety of subtle textural contrast and harmonic resonance. The performance we heard at La Rochelle of *Etudes* 1-10 played by their dedicatee Grete Sultan was less satisfying: given at fairly constant tempo and generally unvaried middle dynamic, her sequence sounded more prosaically like Czerny gone berserk. (Cage, no doubt, would disapprove of such explicit value-judgment?) One day perhaps we may hear a group, or one of a group, of the *Etudes* played *più piano e più presto possible*: supremely difficult, but I should guess, an electrifying effect.

On the face of it, the idea of *Empty Words* is absurd: a wild mix of words, part-words and syllables obtained by chance operations from various texts by Cage's beloved Thoreau — a jumble of half-sense and nonsense spoken aloud, the oddest homage to a writer whose own use of words is so pre-eminently uncluttered, keen and direct. But the quiet, hypnotic magic of Cage's performance smoothed away doubts: a slow, deliberate delivery, close to the microphone—was there once or twice a flicker of laughter in this surreal and gravely beautiful liturgy?

"I am still really thoroughly puzzled by this way of composing by observing imperfections on paper. It is this being thoroughly puzzled that makes it possible for me to work. I am puzzled by hearing music well played too. If I'm not puzzled, it wasn't well played."

The week-end was also well provided with more traditional events. I was delighted to discover the young Pilobolus Dance Theatre from Dartmouth, Vermont, who gave a dazzling display of gymnastics, as memorable for its bubbling high humour as for its silky discipline. A late-evening concert of American cabaret songs, sung by Joan Morris, accompanied by her husband William Bolcom, made a fine, breezy interlude. William Bolcom himself as composer was represented at another concert by a big, sprawling piece, *Frescoes* for two pianos, a keyboard mountain of wind and thunder, and massively indisciplined apocalyptic gesture. In the same programme we also heard very good performances of two works by Crumb, *Music for a summer evening* for two amplified pianos and percussion, and *Voice of the whale (Vox Balaenae)*, a hymn of whale-song for amplified flute, cello and piano, precisely imagined, beautifully shaped and laid out, its two main climaxes galvanised by a marvellous parody of Strauss's *Zarathustra*.

But Cage's was ever the dominant presence. His spirit infected even the piano competition, whose only entrant was a single competitor from Japan: my stay was too short for me to witness what promised to be the wonderfully Dadaesque spectacle of a solitary oriental pianist going through all the rounds of the competition in front of eight assembled members of a distinguished jury.

"We have discussed performing Atlas Eclipticalis by the sea, or in the country—in an environment more like the music itself, in which the audience would be free to come and go as it pleased . . .

"When you make a soft sound, make it so soft that you're not sure it was produced. Don't project it. Don't give it a push. Just bring it into existence. Let it fly out of its own nest . . .

"Besides making life boring, we can also make it surprising; and it will surprise us more if we don't fill it with our intentions . . ."

Like the *Etudes Australes*, *Atlas Eclipticalis* is also star-map music — a huge score for 86 players, two hours and 40 minutes long, composed in 1961-1962: a star-web of note-patterns transcribed directly from patterns of the constellations, exactly notated in pitch, and precisely timed, but permitting all the same considerable freedom of choice in performance within its smaller sections.

Succès de scandale, succès d'estime? The rehearsal on the morning of the performance had not begun well. The weather was very hot, and the air inside La Rochelle's Salle des sports unbearably humid. After 40 minutes of slack and uneasy note-spinning by the Hague Residentie Orchestra, Cage asked to speak to the players—and delivered to them impromptu, without pause or hesitation, a remarkable 20-minute oration, a plea for tolerance, inner quietness, grace. When the orchestra resumed, their playing was transformed: strange effect, strange paradox, these words of Zen spoken with such occidental passion and vehemence!

But the players had forgotten Cage's words by the evening. The air inside the hall was still hotter and more humid: the mood of the orchestra, notwithstanding two refrigerators placed at either side of the stage from which refreshment could be had during the performance, was plainly hostile, unco-operative. It was an extraordinary event, part perplexing, part of the rarest beauty—even in spite of themselves, the players could not help but let some sounds fly out of the nest, simply, with care and tenderness. The contributions of the two pianists, Richard Bernas and Gerard Fremy, who joined the performance with Winter Music, and Joan La Barbara, who sang Solo for Voice 45, were models of concentration and resilience. Many moments left a widening circle of ripples—one of Cage's favourite similes—behind them: the slow, floating beginning to the fourth and final section, time suspended; a sudden crescent soon after of brass and strong sonority, quick, effervescent, rising and vanishing like smoke.

"Unless we do these things, nothing changes."

Theatres this week

SAVOY—*Banana Ridge*. Extravagant Ben Travers farce written in 1938 and set in London and Malaya. Lunatic glow shed on the last days of the Empire by Robert Morley, George Cole, Jean Sanderson. Opened Monday.

CHICHESTER — *The Circle*. Beautifully-crafted Somerset Maugham social comedy is well worth the reviving and Peter Dews's production contains marvellous playing by Googie Withers, Bill Fraser, John McCallum and Susan Hampshire. Opened Tuesday.

COMEDY—*Getting Away With Murder*. Confusing murder thriller by J. Lee Thompson in which the victims are not as dead as they seem nor as loyal to each other as they pretend. Opened Wednesday.

DRURY LANE—*A Chorus Line*. Stunning musical about work, unemployment, hope, childhood and dreams set in a real audition for a chorus line for a Broadway show. Opened Thursday.

Sotheby Records


One of eighty-four miniatures from a Book of Hours, c. 1510, sold on 5th July, 1976 for £170,000

This outstanding manuscript Book of Hours, hitherto unknown and unrecorded, was painted by a group of the greatest Flemish illuminators including Gerard Horenbout, the Maximilian Master, the Dresden Master and Simon Bening. It realised a world auction record price for any book.

Sotheby's hold two specialised sales each season of Western Medieval Manuscripts which also include documents and single miniatures. In addition there are twelve sales of post-medieval literary, historical, military and naval Manuscripts and Letters.

For advice on buying or selling at auction write to Christopher de Hamel (Medieval Manuscripts) or Roy Davids (post-Medieval Manuscripts).

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Collecting

Victorian taste

THERE IS A RARE opportunity to glimpse the world and the tastes of a modest but enthusiastic late Victorian collector when Phillips sell the Crook Collection of Victorian watercolours and oil paintings on Monday. The collection has remained intact and unseen since its owner formed it, upwards of 80 years ago. Walter James Crook was apparently a conventional Victorian success story. His grandfather had walked from Warwick to London early in the century to seek—and find—his fortune as a builders' merchant. Walter James went into business as a chemical broker, and for almost 60 years ran his own firm, Walter J. Crook Ltd.

In 1881 he married a Miss Patchett, whose family were Methodists and wire manufacturers in Halifax; and the couple settled down to a comfortable domestic existence and a busy social life in Enfield, where Crook was captain of the golf club and an active supporter of the local Conservative association. A neighbour was Percy Leggatt, of Leggatt Brothers, who seems to have channelled Crook's evident compulsion to collect (he was a keen philatelist, too) into the purchase of oil paintings and watercolours.

Even with Leggatt to guide him, Crook cannot be regarded as a very progressive collector. The interest of his collection is the way it reflects the tastes of a comfortable, conservative and eminently conformist Victorian bourgeois.

There is an emphasis on sentimental rural scenes—pretty English gardens by Helen Allingham and Charles James Lewis—or romantic coastal scenery. The largest single group of pictures in the collection consists of seven small oils of game birds by Archibald Thorburn: Crook was a keen shot. The comparatively few interiors are whimsical narrative or costume pictures: a George Mormile bibulous monk called "So Nice!"; a charming George Bernard O'Neill of 1859, "The Portrait," with a young lady admiring the sketch of an old yokel, done by an itinerant artist.

Most of Crook's collecting seems to have been done in the 1880s. Generally he was buying the work of contemporaries: and none of his pictures is dated later than 1894. Since then the collection has hung just as he left it, massed six high on the walls of the big house in The Ridgeway, Enfield, where the Crooks moved in 1885.

Mr. Crook died, no longer so well off financially, in 1937, survived by his wife and their five unmarried daughters. The last of these, Gladys, who was born the year they moved to Enfield, died last Boxing Day. She had passed all her 91 years in the house at Enfield, surrounded by her father's pictures.

At no time since the collection was formed could it have been sold so well as now. From before the First World War up to the early sixties, this area of Victorian painting was in the utmost disfavour: comparatively few of the pictures in the Crook collection, over a period of more than half a century, would have realised more than a few pounds.

How remarkably the Victorian market has developed is graphically illustrated in a valuable new book *Prices of Victorian Paintings, Drawings and Watercolours*, edited by Peter Nahum (Carter Nash Cameron, £15). This differs from other available price guides in that it deals only with the pictures that have passed through a single saleroom, Sotheby Belgravia, and is not selective, but lists every attributed picture sold between 1971 and 1975.


Details of a game bird by Archibald Thorburn

It is appropriate that the price guide should be based on the records of Sotheby Belgravia, since the saleroom was established in 1971 in response to the growing enthusiasm for Victorian arts and crafts, and has itself been crucial to the development of the market. During this period increased scholarship, rocketing prices and rediscovery went hand in hand, mutual stimuli. An outstanding price would often bring to light hitherto unsuspected hoards of works by individual artists like Frederick Sandys and Helen Allingham which had remained undispersed since the artists' deaths precisely for want of interest or knowledge. "As a result of a record price for a still life by Edward George Handel Lucas, new and valuable material was discovered in the possession of the artist's family," Mr. Nahum recalls, "and the same was true of George Elgar Hicks."

The price records reflect incidental economic factors, as well as artistic taste. The economic recession hit the market sharply. Enthusiasm and prices rocketed to a startling peak in 1973, and then fell as sharply away. At the same time there was a shift in the focus of popularity, as favourable exchange rates brought in new buyers for Victorian art—from Australia, Japan, Germany and South Africa. "While the market was being led by English money, a typically English taste for landscape and seascape subjects was dominant. As the English economy faltered, these subjects became less popular in favour of a Continental taste for still life and pretty girls, while the Japanese market developed a distinct preference for waterfalls!"

As a statistical guide the book is fascinating, though it must be read with caution. In cases, for instance, where the same picture appears twice at auction (and the figures show only actual sales; unsold lots have been excluded) the price more often than not shows a distinct fall. This, of course, is not necessarily an indication of the market as a whole, only that pictures in the buoyant and upward areas are less likely to return to the saleroom.

Other totally unpredictable factors, too, can come into play. You might be startled to find a vast, cheerless and bloody picture of "Moose Shooting in Canada" by Alfred Strutt escalating in price between April 1972 and April 1973 from £80 to £200. A glance at the auction catalogues would reveal that at the second sale it had the *cachet* of ownership of the 1972 purchaser, and could now be billed as "The Property of Rex Harrison." There's no business like show business.

JANET MARSH

ART GALLERIES

PARKIN GALLERY, 11, Motcombe Street, S.W.1. 235 8144. Summer Exhibition, including British Painters in the Mediterranean.

J.P.L. FINE ARTS, 24 Davies St., W.1. 01-493 2630. ARP—Works on Paper June 17-July 31. Mon.-Fri. 10-6.

FIELDBORNE GALLERIES, 63, Queensgrove N.W.8. 586 3600. Drawings and Watercolours incl. CASSON, DUNSTAN, SPEAR, WARD, ROSOMAN.

OMELL GALLERIES, 40, Albemarle Street, Piccadilly, W.1. MARINE PICTURES and MODERN BRITISH & EUROPEAN PAINTINGS.

[illegible]

EXHIBITIONS

COMMONWEALTH INSTITUTE, Kensington High Street, W.8. New TANZANIA EXHIBITION now open. Wkdys. 10-5.30, Suns. 2.30-6. Adm. free.

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CLUBS

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ENTERTAINMENT GUIDE (Cont.)

THEATRES

[illegible]

CINEMAS

[illegible]

...ow to spend it by Lucia van der Post

OUT and BOUT

...S, ever since they were ... have always been im... the lives of children. ...resent their first pass... ...eedom, and learning to ...me of their proudest achievements.

...ot surprising that they ...me more than just a ... getting about—they fulfil much the same ... life of a child as cars ... lives of some men. ...essories, gadgetry and ...oom large so a manu... who can capture the ...d at the right time is ...g winner. The Chopper, ...co, is a prime example ...s already top the ¾m. ...are still going strong.

... to me as if Raleigh ...nother winner with the ...fter bike. Raleigh ...o develop the Grifter ... noticed that many ...were trying to convert ...s for scrambling over ...ss-country areas. Most ... attempted conversions ...afe and were in any ...art of a proper plan. ...ditions put on in a ... way.

...igh got its design team ...e a bike for heavy, ...try use which had the ...dventurous look that ...vere clearly hankering ...e Grifter is the result.

...ifter has a low-slung ... steel blue or bright ... the handlebars, which ...aid to be the instantly ... hallmark of the bike, ...tt black with non-slip ...ips. The wheels are ...s with 20-inch Super... ...s which have studded ...

...re several details that ...viously appeal to boys ...ly — the gears are ...to the handlebars and ...ted in much the same ...e throttle on a motor... ...nilarly, the mudguards ...r like those on a cross... ...otor-cycle.

Ashley Ashwood

The new Raleigh Strika

The Grifter itself is going into bicycle shops and department stores now and will sell at about £62.95. It is intended primarily for the 8-14 years age group.

For younger children there is so to speak, a younger brother, the Strika, protographed above. The Strika is aimed at children between 6-9 years old who are slightly less proficient at riding so there is no 3-speed gear but a back-pedal brake which means the child can brake and still have both hands to grip the handebars. It, too, has studded tread tyres, the same matt black handlebars, foam saddle, giant rear reflectors—but it comes in a different colour—a bright lime green. The Strika costs about £41.95.

The third member of the new bicycle family is the Boxer (Raleigh's experience with the Chopper was that one new bicycle wasn't enough, a family of bicycles to cope with different ages, sizes and cycling ability was what was really needed). The Boxer is for children from four to seven and is designed in the same vein as the Grifter—that is, it is a sturdy, adventure cycle, but it has great inherent stability and manoeuvrability, suitable for less able cyclists. Yet another colour was chosen for the Boxer—a brilliant yellow—decorated with Union Jack graphics. Otherwise it incorporates many of the Grifter features in a scaled-down form. Like its stable-mates, the Grifter and the Strika, it is on sale now at most good toy and bicycle shops and sells at about £39.95.

Kitted out

I CAN'T help feeling it's a good time to be a child. It becomes easier and easier to buy children's clothes that are not only pretty but practical and easy to wash, too. Cosy Comfort is the latest small firm started to help provide mothers with attractive clothes that offer something between the expensive garments from exclusive boutiques and the rather too often seen numbers from the chain-stores.

Cosy Comfort offers a limited selection of clothes, all of which can be bought either ready made or in kit form—if you sew them yourself you could save up to 100 per cent.

The clothes are exceedingly pretty and are made of suitable fabrics, most of which are machine washable but all contain washing instructions.

The catalogue is illustrated with clear line drawings (see the drawing of a sundress and hat, above) and small samples of the actual fabrics used. Prices strike me as about right—not phenomenally cheap but not expensive either. The sundress and hat pictured here is £4.75 made up ready-to-wear or £3.00 in kit form.

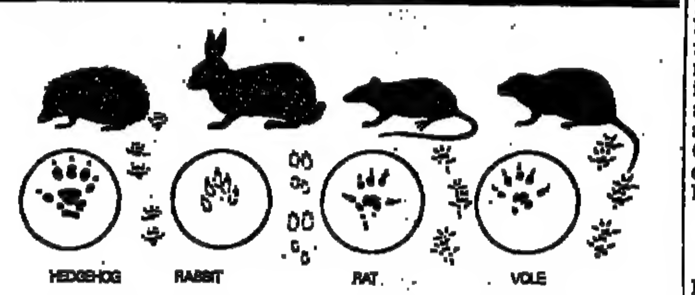
For further details, including a catalogue, (please send a self-addressed envelope with a 6½p stamp) write to Cosy Comfort, 21 Upper Richmond Road, London SW15.

Ant antics

I DON'T think that ant watching is quite my scene, particularly as you have to catch your own ants first, but I'm told it is quite the rage with children. Since they are much less squeamish than adults they appear not to mind gathering up the ants (instructions on how this should best be done, are given in the kit).

This Ant Observatory Kit then enables children to feed and water them and watch them at work and play. Also included is a bag of chemical soil and a feeding tray and the perspex cover is intended to give maximum viewing advantages.

For all children who have to write up summer holiday projects to hand in next term a mini-treatise on the habits of ants seems like a good idea. The outlay isn't expensive either as the Expo ant observatory (drawn here) sells at only £1.25 in most toy shops and department stores.

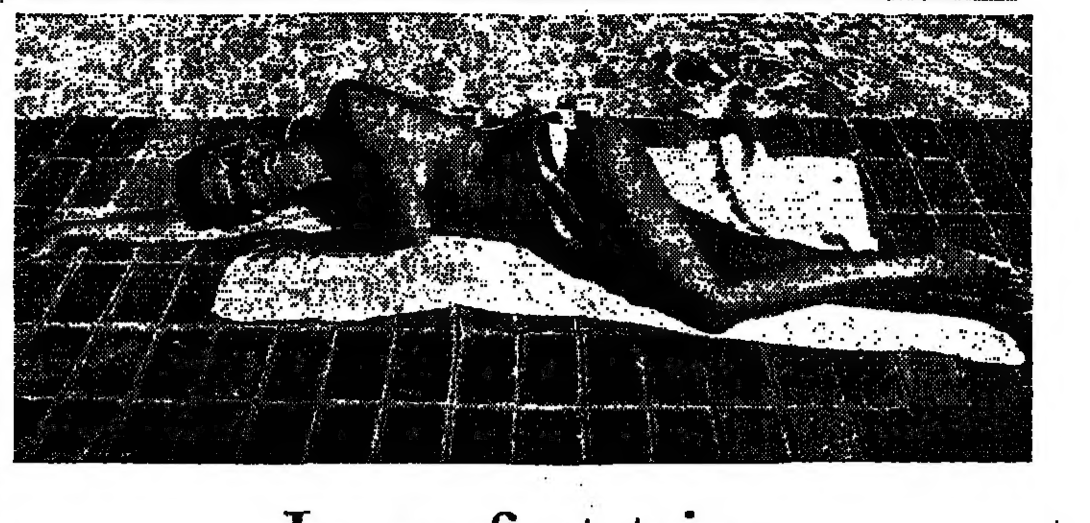


What shall we do?

NOT A new book, but one that may see mothers and children through many happy hours in the school holidays is the Piccolo Picnic Book by Deborah Manley and Peta Rée. It is really a miscellany to dip into whenever you are assailed by the question: "What shall we do?"

There are ideas to cover almost every situation—beach games, car games, food for picnics, how to camp, how to look after your bicycle, things to do on a country picnic, things to do on the beach, how to fish, make leaf prints, learn semaphore, recognise the stars and identify the tracks of wild animals.

Though the book is clearly aimed at children there can hardly be an adult who wouldn't learn something from it. In fact it's just the sort of useful book to keep permanently in the car, ready to make the most of the next outing. At 45p it's available from most bookshops.



In perfect trim

A FEW weeks ago we published a system of exercises devised by Westside Health Centre specially for Financial Times readers. They were meant to be followed throughout the year and would, if practised regularly, undoubtedly produce an improvement in almost everybody's figure within weeks.

However, for those who are going on holiday now and have left everything until the last moment the exercises won't be a great deal of help—what is needed are some immediate beauty aids. So that's what we've been looking into.

There are plenty of salons that offer quick improvements like artificial tanning, pedicures, leg waxing and so on.

●

Headlines Hair and Beauty salon of 33 Thurloe Street, London SW7, offers a special package deal (available now until August 31) to get your hair, skin and body in trim by spending two hours a day for five days at Headlines.

For £25 they will include eyelash dyeing, whole leg waxing, bikini and underarm waxing, moisturising facial, back treatment for spots, fake tan (building it up over three days), and a hair cut, restyle and set with a special treatment of Almond Oil to protect the hair. Obviously each treatment can also be bought separately.

●

Molton Brown, 58, South Molton Street, London W1, also offers pre-holiday treatments like waxing, eyebrow trimming, body massage, pedicure, facials and the rest. The special offer there is a "Three-in-one" quick treatment for £10. This includes full leg waxing, eyelash dyeing, a pedicure and a snack lunch.

●

Revlon has just brought out a range of cosmetics that seems perfectly designed for holiday wear in that it is either waterproof or contains a sunscreen.

The waterproof make-up is obviously ideal for those with a blemished skin which they feel cannot stand the full glare of sunlight or for those who feel they look rather indeterminate without make-up. Included in the collection is waterproofed Touch and Glow Make-up (£1.90)—which also contains a sun screening element (our guinea pig reports that it is indeed waterproof and though this is fine and useful do remember that it is also, which is only to be expected, more difficult to remove than normal make-up so take along lashings of cleansers). Then there is waterproof Creme Eye-shadow—this really works and doesn't crease on the eyelid.

Mascara, most people's Desert Island beauty aid, is also waterproof and comes in seven shades at £1.60 each. There's a pot of cream blusher, also waterproofed, for 95p and finally, to prevent all those chapped lips, a new lip gloss, in 6 different shades, which includes a protective sunscreen in the formula. They cost 98p each.

●

A new home massage kit from France, called Helancyl, is meant to bring about a big improvement in the shape and texture of the body.

For years the French have been worried about the problem of Cellulite which is their name for bulges that occur on hips, thighs, and upper arms and is recognised by the give-away look of a dimpled orange peel skin. The British have been slow to recognise this as a problem — thinking it was just like any other flesh. The French, however, are convinced that diet alone won't cure it and attack the offending areas in a more energetic way.

In the Helancyl method the customer is provided with a special massage glove and some lovely, fresh smelling products containing ivy extract. By dint of using the massage glove and the products vigorously for about five minutes in all the circulation is stimulated, oxygen supply to the tissues is increased and a great improvement should be noticeable quite soon.

Certainly, having tried it, I can report that it does smell delightful.

The kit of glove, ivy extract and soap is available for £6.00 from very good chemists only (Harrods stock it, too) and refills may be bought separately.

●

Those of us who are no longer quite as young as we used to be, and indeed even those who are still young but wish to go on looking that way, are aware that the sun can be very damaging to the skin. Guerlain have brought out a new skin cream which, if used regularly before going on holiday, helps build up reservoirs of moisture in the deep layers of the skin.

Skin-care products containing collagen are generally accepted to be one of the most useful ways of restoring the natural moisture balance of the skin and of preventing the rapid dehydration of the surface layers. None of these products is cheap and Collagena is no exception. At £14.00 a jar it may seem expensive but readers may be consoled to know that the price is very much cheaper (about 50 per cent.) than their French compatriots have to pay for the very same preparation.

I happen to be a convert to collagen products—I can't prove definitely for all time that they work but I just have a feeling that my skin is improved after I've used Collagena for some days and so, regardless of the price, I will go on using it.

●

For those who want to look bronzed but wisely prefer to keep their skins out of the sun, Guerlain have another product useful for holiday or summer time—Teint Dore which gives the skin a golden look if applied after moisturiser on a small piece of dampened cotton wool. It is easily cleansed off afterwards and costs £1.65 for 110 ccs from most Guerlain stockists.

...operty

Coming down to earth

...S ONLY a short while ...th to establish itself ...wfully for longer for ...hown for what it is— ...d not a fact. One of ...st and most damaging the property scene in ...ars has been that of ...as an investment.

... one should try first the word investment. ...nks of the house as ...ment in living then ...h it is certainly that. ...ovide a home which ...s can make a heaven depending on their temperaments. If ... a mortgage it will ...nd less in real terms ... as the years go by, ...vide a solid and secure ...ving given that basic ...ghts continue to be ... and no interfering ...r local government ...at the house belongs ...nd not to the owner ...ertainly increase in time passes—but ave ... rub.

...ost of those talking house as an investment ...ouple of years back meant was the house as an object on which a short-term or long-term capital gain would be made. This in turn depends on the rate of increase in property values. But does it really work?

In the long term house prices stay in line with incomes—the ratio between the two over, say, a twenty-year period would not vary by very much. There are, of course periods when things seem to be going wildly wrong. The 1972 boom was one such period but in fact it was simply an accelerated adjustment. Houses had become too cheap in relation to incomes and the market reacted accordingly. Prices only reached what people could afford.

Stable prices

At present prices are keeping fairly well stable reflecting the economic stringency that has been forced upon us. (It is true, however, that some sectors have reacted more dramatically than others. It is a question of the bigger they come the harder they fall. Some expensive houses have more than halved their value since the peak of the boom. But there again, come happier economic times it could be that they will increase more rapidly than the average.)

The market is remarkably sensitive and will adjust to real value very quickly. As the average value of properties gradually drifts upwards so does the cost of everything else and there is a corresponding fall in the value of the pound in your pocket. Some people may boast that they bought a house for X number of pounds so many years ago and it is now worth so many thousand pounds more. But if they work out the purchasing power of the pound at the time they bought and its purchasing power now have they really made a gain? It is only true if they are prepared to sell and go much further down market and buy a much smaller and cheaper house.

That "investment" is a myth seems at last to be getting through to the public, if the experience of at least one estate agent is a measure of general feeling. According to Alonzo Dawes and Hoddell of Bristol, housebuyers no longer see house purchase as an investment against inflation and are less willing to borrow up to their maximum potential. Behind this trend, they add, is the fact that house prices have not kept up with inflation in recent years.

Buyers are now looking critically at the costs of maintenance, heating and repairs. This is a very much healthier attitude to home ownership say the agents, "than the investment-orientated atitudes of a few years ago.

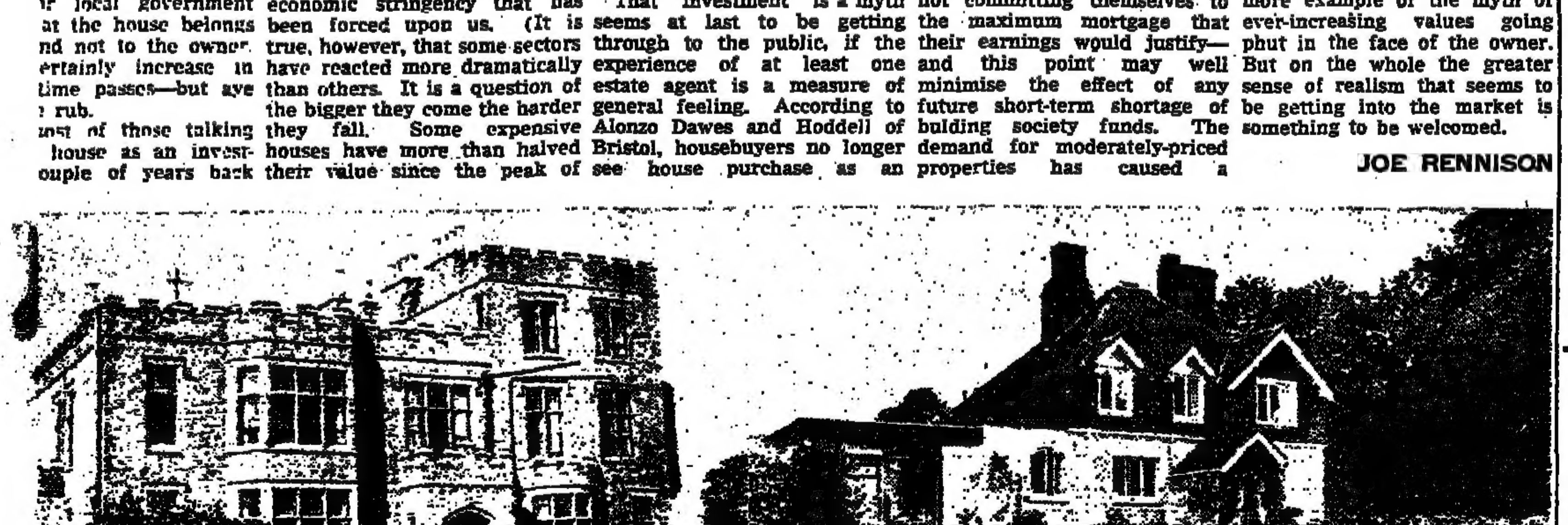
Mortgage funds

"Most purchasers are looking for medium-sized properties between say £12,000 and £20,000, of conventional construction, no more than about 50 years old and in good repair. Even if they can afford something more expensive they are not committing themselves to the maximum mortgage that their earnings would justify—and this point may well minimise the effect of any future short-term shortage of building society funds. The demand for moderately-priced properties has caused a shortage in some areas and inevitably a disproportionate increase in values."

Alonzo Dawes and Hoddell also report that vendors of the less saleable types of property, for example over £25,000 in price, are readier to accept market prices in order to be reasonably certain of selling. "Over the last six months," they say, "vendors of the less saleable types of properties have become very much more understanding of market conditions. In many cases this means taking an actual loss, especially after a short-term job move. This is a problem which was disguised during the relative boom of the 1960s and early 1970s but which employers should consider very carefully when moving staff about the country."

This last point is just one more example of the myth of ever-increasing values going phut in the face of the owner. But on the whole the greater sense of realism that seems to be getting into the market is something to be welcomed.

JOE RENNISON



...ickens described his life style ...g in the house at Broadstairs, ..., in the following way: "In ...dow sits, from nine o'clock ...gentleman with rather long ...o neckcloth, who writes and ...f he thought he were very ...eed. His name is Boz. At ...isappears, and presently ...rom a bathing machine, and ...en—a kind of salmon-coloured ...splashing about in the ocean; ... he may be seen in another ...ew on the ground floor, ...strong lunch; after that ... dozen miles or so or lying ...k in the sand reading a book. ...others him unless they know ...osed to be talked to; and I am told he is very comfortable indeed. He's as brown as a berry, and they do say is a small fortune to the innkeeper who sells beer and cold punch. But that is a mere rumour." Dickens was extremely happy when living there. It was then called Fort House but in 1900 was renamed Bleak House after one of his best-known works. It was Thackeray in his life of Dickens who first claimed that this clifftop severe-looking house inspired the author to write his famous novel. Bleak House is scheduled Grade 2 and stands in a conservation area. It has been enlarged since the great man's day but his study and bedroom remain intact. Accommodation includes three reception rooms, billiards room and seven bedrooms. Knight Frank and Rutley are looking for about £45,000 for the freehold. The property on the right, by contrast, is anything but bleak. It is in fact what any Englishman would consider the ideal country cottage with very close sporting associations. Ermyn Lodge is at Headley, Epsom. Although it is only 18 miles from London it enjoys a remarkably peaceful and secluded position. It is in Green Belt country and is about 300 yards down a bridle path which leads to Mickleham Downs, about three miles away. The house is a converted lodge and the position takes advantage of every bit of sun and light. From every window in the house all to be seen are fields and trees. But communications to the metropolis are excellent and one can commute from Epsom, Epsom Downs or Tattenham Corner stations. There are 26 horse-boxes but alternative use could be found for these in one of the yards which are old and built of attractive mellow brick. For those interested in hacking the riding in the immediate area is excellent and there is access to a number of bridle ways and both Epsom and Headley Downs. The house is centrally heated, has a large sun lounge and a heated swimming pool. There are extensive gardens and grounds as well as the horse-boxes. The asking price is £95,000 through Michael Everett and Co. of Epsom.

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B. N. GIBBS, F.R.I.C.S.,
Flintham House, Oaksey, Malmesbury, Wilts. (Crudwell 282)

Controls may be eased on factory extensions

FINANCIAL TIMES REPORTER

PLANNING controls over home and factory extensions will be eased under proposals put forward by Mr. John Silkin, Minister for Planning and Local Government, yesterday.

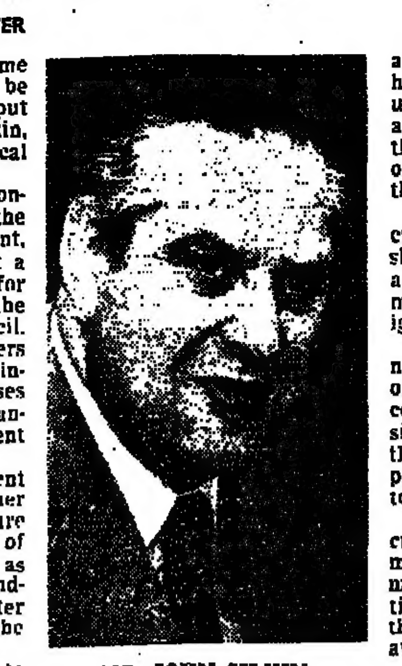
The suggestions were in a consultation document issued by the Department of the Environment, and unveiled by Mr. Silkin at a London conference on land for housing, organised by the National House Building Council.

They would allow householders and industrial companies to increase the size of their premises by one-fifth without seeking planning permission. The present limit is one-tenth.

The consultation document also proposes a number of other changes in planning procedure aimed at clarifying points of detail and removing anomalies as well as more substantial amendments intended to give a greater freedom without destroying the planning framework.

The plans drew immediate criticism from Mr. Robert Martin, director of architecture and planning for the London borough of Kensington and Chelsea, who said he was horrified at the effect they would have on the environment and overcrowding in inner city areas.

Mr. Silkin, returning to the theme of several of his recent speeches, told the conference that planners were devoting far too much time to dealing with trival matters when questions of principle should be considered.



MR. JOHN SILKIN
"Questions of principle should be considered."

Permission

He also disclosed that in the past week permission had been given to more than 100 authorities throughout the country to buy sites for private and industrial development under the Community Land Act.

Some authorities had done very well. In one area where housing land was scarce, consent had been given for the purchase of 90 acres, "and there won't be much delay on the infrastructure either."

Permission had been given, too, for a number of important sites to be bought from nationalised industries so that they could contribute to the regeneration of run-down areas.

"I have not forgotten that one of our major problems in house-building is to be found in our inner city areas. I believe in mixed communities where public and private housing can both flourish." It was to encourage this that the purchases from nationalised industries had been authorised.

The Act and the Development Land Tax were not stopping people from selling land for housing. There were still profits to be made even after tax.

A plea to councils to speed up planning to help struggling private housebuilders was made at the conference by Mr. Charles Mitchell, resident of the House Builders Federation.

Changes in the planning system were urgently needed to maintain private building, he said.

His organisation had urged this on the Government, and was flooding the Environment Department with constant examples of planning decisions delaying or preventing private house building schemes meeting demand.

Mr. Mitchell criticised local authorities. "many of whom have never really grasped the underlying function of planning and development control, going their leisurely, patronising and obstructive way in discharging their duties as planning agents."

"The Government issues circulars explaining how the system should be operated—the local authorities, more often than not, misinterpret them or simply ignore them."

Ways of improving the planning system include the award of builders' full "waiting" costs against councils responsible for "inordinate delays" or those which refused planning permission on grounds contrary to Government advice.

Contents of main planning circulars should be sent to every member of local planning committees to bring to their attention considerations "of which they are often completely unaware."

Time limits

Planning inspectors should impose rigid time limits on written submission of evidence in appeal cases, and should determine appeals without evidence not so provided.

Further complaints about planning procedures also came from the Association of Metropolitan Authorities. A memorandum to the Commons inquiry into planning procedures suggests that the balance between the rights of the public over consultation and the interests of the applicants may have swung too far in favour of those being consulted.

It also urges again the charging of a fee for the processing of planning applications. The memorandum is based on a survey of all 43 metropolitan counties and districts outside London.

The survey shows that in 1974-1975 the average metropolitan district had a population of 325,200; and its planning authority made 2,051 determinations, the work being done by 16 professional and technical staff and six support staff.

Sixty per cent. of the applications were determined in under eight weeks, 20 per cent. in under three months, and 20 per cent. in over three months.

Kaldor to leave Treasury

By Peter Riddell, Economics Correspondent

LORD KALDOR is giving up his post as special adviser to the Chancellor of the Exchequer "at his own request" from the end of the month.

The Treasury said yesterday that Mr. Denis Healey, the Chancellor, had accepted his decision "with regret."

The move, foreshadowed in Monday's Financial Times, is believed to be quite amicable since Professor Lord Kaldor, who is 68, has apparently been considering for some time whether to leave the Treasury.

It is not thought likely that Lord Kaldor will be replaced in his post as special adviser which was created for him. It is entirely separate from the position of chief economic adviser, held at present by Sir Bryan Hopkin, who also heads the Government Economic Service.

Lord Kaldor has served as special adviser to the Chancellor on two occasions—once between 1964 and 1968 to Mr. Callaghan and Mr. Jenkins, and to Mr. Healey since July 1974.

During the first period he was particularly involved in a series of major tax changes, including the introduction of selective employment tax. Since 1974 he is believed to have been closely involved in the proposals for stock relief for companies announced in November 1974.

On Thursday, he delivered the presidential address to the Royal Economic Society, advocating the creation of buffer stocks for the main commodities linked to the issue of international currency such as special drawing rights as the most promising line of action for introducing greater international economic stability.

More Home News on Page 16

Steam generator prospects hit by delay in first order

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CHANCES of survival of Britain's new steam-generating heavy water reactor are diminished because no order for a reactor will be placed before the spring of 1978.

When the Government announced its "very firm and positive commitment" to the steamer two years ago, it expected the modest 4,000 MW programme of construction authorised would be sufficiently advanced by 1977-78 for it to reappraise its size.

But on present demand forecasts the electricity supply industry can justify no further orders for generating plant before 1979, and possibly not until well into the 1980s.

The saving of £40m. on the steamer in 1977-78 comes chiefly from delays in placing Government-financed contracts for the development and assembly of major sub-assemblies—for the first steamer reactor at Sizewell.

The plan was to finance these items early to reduce the risk of the development problems with these critical components delaying the overall project. The funds were to come from the Department of Energy, with the U.K. Atomic Energy Authority monitoring the projects.

The U.K. AEA is expected to save £5m. from its own budget of about £100m. About £2m. will be cut from the fast reactor programme. This will not fall heavily since the fast reactor budget accounts for almost half the total. None of the authority's research establishments is threatened by the cuts.

The cuts will not affect contracts worth £10.5m. already authorised by the Energy Department for three new steam generators for the 250 MW prototype fast reactor at Dounreay.

Not decided

The new components, to be made of ferritic instead of austenitic stainless steel, and to a design expected to reduce the risk of stress corrosion (which has plagued the Dounreay boilers), are expected to be delivered in 1979.

The contracts will be divided between Babcock and Wilcox and Clarke Chapman-John Thompson.

Where the other £3m. will be cut has not been decided. The authority's problem would clearly be eased by a Government decision to abandon the steamer — now accounting for about 10 per cent. of its budget.

The U.K. AEA would then end its experimental programme on the 100 MW prototype reactor at its Winfrith research centre, although it would expect to continue to run the reactor as an economically viable power electricity source.

The Winfrith programme would be turned over to whichever thermal reactor—advanced gas-cooled or pressurised water—Britain chose to develop instead.

Antony Thornecroft writes: The arts world is not getting too upset at the reports that the Government is looking to save £2m. in this area next year. So far there are no details of where the reductions might come, but the likeliest candidates are in the construction area—extensions to museums, etc. — and in administration.

The Arts Council, which received £37m. this year, just more than half Government expenditure on the arts, has only just started to ask its local representatives about their cash requirements in 1977. The vagueness of the proposals has stifled any immediate outcry from other areas of the arts.

Nearly Leylan[d] prices [...]

By Kevin Done, Indust[rial]

BRITISH LEYLAND [...]ing the price of all [...] except the new Rover [...] Monday by an average [...] cent.

The move follows [...] move by Ford earlier [...] The rises do not appl[y] already in the hands [...] and distributors, whi[ch] Leyland hopes, will giv[e] boost to car sales comi[ng] the introduction of [...] registration suffix [...] August 1.

The company last pu[t] three months ago. [...] round is blamed on [...] costs of components [...] materials.

Some examples of n[ew] with the old in brac[kets] 850, £1,496 (£1,427); 1100 DL, £1,771 (£1,6[...] cess 1800, £2,587 (£2,46[...] XJ 4.2, £6,660 (£6,282[...]

In general, prices of [...] cars have been ris[ing] rapidly this year th[...] produced models becau[se] fall in the value of st[erling].

Chrysler has update[d its forecast] cast for overall U.K. during 1976 to 1.328m. 1.03m. forecast made [at the be]ginning of the year.

Mr. Gordon Pfeiffer, marketing director, say[s] market prospects for [the re]mainder of 1976 are extremely encouraging.

Components

In this month's iss[ue of the] company journal he [...] the first quarter of [...] Chrysler registered no[...] 36 per cent. more cars [...] called for in the G[...] plan and in April and [...] company exceeded the [...] we had had more A[lpines...] would have done even [...]

When U.K. produ[ction of] Alpines begins at [...] August 9, there will [...] trailers containing c[...] arriving from France [...] Customs clearance tak[...] the Chrysler plant [...] next year, 57 per cent [...] parts will be made in [...] the company says.

Three-year energy search starts soon

BY DAVID FISHLOCK, SCIENCE EDITOR

THE DEPARTMENT of Energy plans to carry out a three-year search for subterranean energy sources in Britain, at an estimated cost of £840,000.

Mr. Alex Eadie, Minister for Energy, announcing this, said that the U.K. had applied for funds from the EEC's geothermal energy research programme.

A report by the Department of Energy, reviewing the prospects for tapping "hot rocks" in the U.K., finds that several sedimentary basins "offer promise of useful development."

It pinpoints the Bath-Bristol region — which includes hot springs exploited for therapeutic reasons since Roman times—and the Hampshire Basin as the most likely areas to yield quick results, and recommends some exploratory geophysical research in these two areas.

At Bath, the water temperature is 45-48.5 deg. C, and the flow rates from the main springs have been estimated at 5.5 to 12.5 litres per second (out of a total discharge of 18 litres per second).

The report acknowledges that such a temperature would be too low for district heating, but suggests that an increase of only 15-20 degrees C "would bring this system into the range where it might have significant possibilities."

In the longer term, the North Sea Basin appeared to hold promise of large amounts of geothermal energy.

It would "almost certainly be impracticable" to develop the North Sea specifically for its geothermal resources, but the possibility should be studied of converting offshore hydrocarbon installations into geothermal extraction plants once the oil and gas became depleted.

An experiment with important implications for the development of geothermal energy in the U.K. had been in progress for two years at Los Alamos.

It had taken an experimental technique being tried for burying radioactive waste in subterranean fissures, and was trying to adapt it to allow water to be circulated through very hot rocks, which would thus behave as a steam generator at a depth of nearly two miles.

But any serious attempt to exploit geothermal energy would need to be preceded by an assessment of the potential U.K. market for heat at temperatures below about 150 degrees C, which the report admitted, was at present "largely unknown."

Geothermal Energy: the Case for Research in the U.K. Energy Paper 9. SO, £1.55.

Yorkshire Bank holds charges

By Michael Blanden

YORKSHIRE BANK has followed the smaller clearing banks in deciding not to increase its charges for personal current account customers.

The decision announced yesterday follows the moves by all the big four clearing banks, Barclays, Lloyd's, Midland and National Westminster, to raise their charges for the second half of this year. Yorkshire said it will continue operating its present tariff until June next year.

Under the Yorkshire tariff customers get free banking in those months when they maintain a minimum credit balance of £50. When the balance falls below this level they are charged 7p a time for debit entries—cheques and standing orders.

Williams and Glyn's and the Co-operative among the smaller banks have also decided to keep their present tariffs, offering free banking to personal current account customers who stay in credit.

Test track planned

By Peter Cartwright, Correspondent

BRITISH LEYLAND [...] planning application [...] Gaydon, a disused bomber base near W[...] a road proving groun[d].

The 700-acre airfiel[d ...] than 11 miles of roa[d ...] will be rebuilt to repr[oduce] surfaces found all over [...]

The ground is own[ed by the] Government. If Briti[sh Leyland] goes ahead the project [is] to cost much less th[an ...] excluding the lease.

The development is for Leyland Cars, and to assembly plants [in] Birmingham and Cove[ntry]. It will also be used b[y the Bus] and Truck Division.

It is likely to be [...] before Stratford-on-A[von] authority decides on [...]cation.

Monopoly criticism rejected

By Kenneth Gooding

MR. TEDDY SMITH, chairman of Amalgamated Industrials, has rejected criticism of him and fellow director Mr. Per Hegard in a recent Monopolies Commission report.

The Commission alleged that Mr. Smith and Mr. Hegard "give an impression in their business activities that they are interested primarily in making quick financial gains."

Mr. Smith says in a letter to Amalgamated Industrials shareholders: "The implication is that this is of paramount importance in their commercial strategy and no thought is given to the continuity of business.

"In fact, of the four disposals made by your company in the last four years, each company or group was sold as a going concern and has prospered under the new management: there were no redundancies and particular attention was paid to the continuity of employment. At the same time the business of your company has thrived."

Rebuff

Mr. Smith, in an unprecedented rebuff to the Commission, had previously told it that Amalgamated Industrials was "unable to comply" with a ruling that it should sell most of its shares in the crane-making company Herbert Morris, reducing the holding from 40 to 10 per cent.

In his letter to shareholders, he says: "Your directors have taken advice from leading counsel and are informed that within the circumstances of this case there is no jurisdiction for enforcing this recommendation which, as you will see, seeks to have a retrospective effect on an investment held since 1970."

His company would fight "by every lawful means within its power" attempts by the Morris directors to remove Mr. Smith and Mr. Hegard from the Morris Board.

Church tankard raises £21,000

By Antony Thorncroft

A WORLD record price of £21,000 was paid for an Elizabethan silver gilt tankard at Phillips's yesterday.

The tankard was sold by the vicar and churchwardens of St. Andrew's, Heddington, Wilts.—after permission from a special session of the Consistory Court—to raise money for repairs to the church's 400-year-old roof.

The tankard, which had been expected to fetch nearer £10,000, was bought by S. J. Phillips, the Bond Street dealers.

It stands eight inches high, was made in 1602, and was given to the church by a retiring rector in 1830. The price beat the previous silver tankard auction record—£17,000 paid for a pair of Elizabethan tankards six years ago. The sale totalled £103,914.

Workers' co-op in black after losing £1½m.

A WORKERS' co-operative set up last year at Kirkby, Merseyside, made a loss of £1½m. in its first 15 months, it was announced yesterday. But Mr. Jack Spriggs, convenor and director, told shareholders that it was now breaking even.

The Kirkby Manufacturing and Engineering Company started in January 1975 with most of its 700 workers as shareholders. It had a cash injection of nearly £4m. from the Government. The setting up of the co-operative followed disputes and a sit-in at what was then the Fisher-Bendix factory.

The accounts were approved at a seven-minute meeting. It was the first audited financial report from a major workers' co-operative in Britain, said Mr. Springs.

During the period to last April there was a loss of £1,516,078, he said. "It looks pretty massive, but there is an underlying improvement."

Those results would be shown on the next half-year figures. Last week we made a profit of £500, and there was also a profit in December last year.

The company, whose products include radiators, night storage heaters and other units and soft drinks, took on another 31 production workers last month because of increased orders.

Extra hands

Mr. Spriggs stressed that, with net assets of £2.3m, the company was solvent. He added that things should improve if there was no further decline in the economy. "The light is showing at the end of the tunnel."

BP finishes drilling new exploration well

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH Petroleum has completed drilling an exploration well in Block 14/4, some 110 miles east of the Orkney Islands.

According to market reports, the well, drilled by the rig Sea Quest, has been plugged and abandoned. BP is not issuing any details of the test, possibly because the block lies next to "open" acreage which may be licensed in the Fifth Round of allocations.

The Government has now completed the preliminary work for the allocation of Fifth Round licences. It is expected that the location of the 50 or 60 blocks will be announced next week so that the licences will be allocated in December or January.

BP said that Sea Quest had now moved to Block 21/10 where it had started drilling an exploration well on a small structure to the north-west of BP's Forties Field.

At the same time, drilling has begun on a well in the deepest water—some 300 metres—so far explored in the North Sea. BP has a 35 per cent. stake in the well: 35/3-1 in the most northerly Norwegian concession area.

The well is being drilled by Saga Petroleum using the rig Deep Sea Saga which is capable of working in water depths of up to 450 metres. Shareholders in the block are Saga, the operator, with 15 per cent.; BP, and Statoil (50 per cent.).

Bid to take sting from devolution plan

By Ray Perman, Scottish Correspondent

AN ATTEMPT to take the sting out of the backlash emerging among English Labour MPs against the Government's devolution proposals will be made next week by Scottish Labour and union leaders.

A joint delegation led by Miss Charlotte Haddow, chairman of the Scottish executive of the party, and Mr. Jimmy Milne, general secretary of the Scottish TUC, will be in the Commons all day on Tuesday to lobby MPs.

Mr. Milne said yesterday: "Some of our colleagues south of the border have genuine doubts about devolution but it is a question of political survival. We will tell them that there is no option; if devolution does not go through, then we are on the road to separatism."

The devolution Bill, setting up legislative assemblies for Scotland and Wales, will be the major piece of legislation in the next session, occupying half the Government's Parliamentary time.

Amex Cre[dit] case settle[d]

AMERICAN EXPRESS [...] the costs incurred [...] Credit, a small Lond[on] company, in changing [its name after] a High Court judge [...] yesterday.

Amex, Mr. Justic[e ...] heard, was a [...] throughout the worl[d ...] American Express gro[up].

In proceedings by [...] Express and its Br[itish] sidiary Amex Bank, [...] Ralton, a solicitor wh[o ...] Amex Credit, und[ertook to] change that company[...]

He accepted the [...] Express offer to [...] expenses of this and [...] costs.

Investment relief for shops

BY DONALD MACLEAN

THE INVESTMENT relief of 50 per cent. allowed to companies under the price code will apply to shops, in the Government proposals announced on Thursday.

This corrects the earlier impression that it would not.

Mr. Richard Weir, director of the Retail Consortium said last night: "The consortium is delighted to receive clarification from the Department for Prices that the rate of investment relief is 50 per cent. and not 35 per cent. as appeared to be the case from the Department's original statement.

"The recognition of the principle that shops are the same as any other capital asset employed in the national economy is welcomed, and we hope that it will be followed by other Government departments, including those responsible for taxation.

In the categorisation of firms required to keep records under category three of the Price Code, the lower limit for professional services is to be an annual domestic turnover of £200,000, not £2m. as previously announced, the Prices Department said yesterday.

PRICE CODE CATEGORISATION

The new categories will be:

Sector	Reporting firms (Category II)	Firms required to keep record (Category III)
Manufacturing	10,000,000	£2,000,000
Distribution	£15,000,000	£500,000
Commercial services	£7,500,000	£500,000
Construction	£7,500,000	£2,000,000
Professional services	£750,000	£200,000

Public transport should aid leisure

BY KEVIN DONE

THERE is good reason for a resurgence of interest in the use of public transport for countryside recreation, although the private car is the dominant means by which people travel into the countryside, according to a report from the Countryside Commission, published yesterday.

The report, produced by the Dartington Amenity Research Trust, accepts that the overwhelming majority of recreation movements into and within the countryside are made by private transport. Annual counts of visitors to 130 country parks and picnic sites show that between 80 and 90 per cent. of visitors arrive by car. But the consultants stress that 47 per cent. of households in Britain do not own a private car.

Although some people in this category share friends' or relatives' cars, or use mopeds and cycles, the report points out that "a large slice of our population are unable to reach countryside recreation facilities at any distance from their homes by means of private transport."

There are tens of millions of recreational visits to the countryside every year, says the report, and the demand is concentrated within easy day-trip reach of cities and large towns. The dominant pattern is for trips up to 20 to 30 miles from centres of urban population or of tourism.

The report states various instances where properly planned and managed public transport can aid public recreation. These include:

- instances where the use of private transport is causing congestion and damage to popular places in the countryside;
- where public transport can provide links in systems of recreational movement within and into the countryside;
- where public transport can act as an attractive recreational resource in its own right;
- where recreational use of public transport can help to sustain or justify public transport services for the residential population of rural areas.

The report accepts that there has been a heavy decline in public transport in the last 20 years. Bus services, which in the early 1950s accounted for about 45 per cent. of passenger mileage, now attract little over 10 per cent. The share taken by the railways had fallen from just over 20 per cent. to well under 10 per cent.

Meanwhile private transport's share of passenger mileage has increased from just over 30 per cent. in 1952—when there were 2.5m. cars on the road—to nearly 80 per cent. now that there are more than 14m. cars.

The report recommends far closer working between the Commission, tourist boards and the transport authorities in order to change the climate of management in the public transport industry.

Bus licence fees quadrupled

A QUADRUPLING of licensing fees for buses and coaches from August 13 was announced by the Department of Environment yesterday.

The increases will add more than £3m. a year to operators' running costs, making increased fares a possibility.

The confederation of Road Passenger Transport, which represents all the major operators, has already protested about the increases.

The last increase was in 1969, and some of the charges have been unchanged since 1934, the Department of the Environment said.

The fees form the main source of revenue for the public service vehicle licensing system which ensures that buses and coaches conform with safety and maintenance standards.

A PSV licence rises from £12.50 to £45; a certificate of fitness for the vehicle from £6.50 to £25; and a road service licence from £1 to £4.

Lager gains 3½% on other beers

By Kenneth Gooding

THE INEXORABLE increase in lager sales in the U.K. is highlighted again to-day by Brewers Society statistics which show that this type of beer increased its share of the beer market by 3.6 per cent. last year to 19.9 per cent.

Since 1971 the market share of lager has more than doubled from 9.9 per cent.

The details come from an analysis of beer sales by the Brewers Society, the results of which are published in its magazine "Brewing Review."

Draught lager—both premium and ordinary—showed an overall increase from 12.7 per cent. to 15.6 per cent., proving that this is the main growth area. Packaged lager, however, also increased—from 3.7 per cent. to 4.3 per cent.

This year's extraordinarily hot summer will push up lager's market share once again. At some peak demand periods during the heatwave lager was accounting for as much as 40 per cent. of all beer sold.

Concorde has taken 6,000 on supersonic flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SINCE CONCORDE began commercial services with British Airways in January, 6,000 passengers have flown in the aircraft.

By last Tuesday, 3,578 people had flown supersonically to and from Bahrain, and 2,410 to and from Washington.

Load factors on the Washington route are in excess of 93 per cent., and the airline carried a record 93 passengers on the Concorde flight to Washington on July 17.

British Airways said yesterday that Concorde flights in both directions on the Washington route were fully booked until September. A third weekly flight would be added to the route on October 5.

Concorde was proving itself to be punctual and reliable. With more than 130 commercial flights since January, involving 1,150 flying hours, the aircraft had been despatched within 30 minutes of its scheduled departure time on 90 per cent. of the flights.

Recorded noise levels showed a range of between 105 and 119 perceived noise decibels at Heathrow and at Washington the spread had been between 105 and 130 on take-off and between 115 and 130 on landings.

Mr. Gordon Davidson, British Airways Concorde director, said: "We are delighted with the aircraft's performance during the first six months.

"*Concorde* has become an established and reliable service, attracting large numbers of high-paying and discriminating customers, many of them giving us repeat business—an encouraging augury for future success."

Grant to Thos. Ward subsidiary

AN INDUSTRY ACT grant of up to £300,000 has been awarded to the Thos W. Ward subsidiary Marshall Richards Barcro in connection with a reorganisation of the company, which makes wire drawing and tube drawing machinery.

Marshall Richards Barcro is closing its factory at Eastleigh, Hants, and consolidating at the Crook, County Durham, plant which is in a special development area.

The change will eventually create 100 new jobs in addition to the 287 at Crook. But as the company has 180 employees at Eastleigh there will be a net loss of 80 jobs.

The company says that it has a strong and profitable growth potential and this expansion is only by consolidation as an integrated unit at Crook.

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OVERSEAS NEWS

[T]urkish oil ship sets [s]ail for disputed Aegean

METIN MUNIR ANKARA, July 23.

EY'S state survey vessel, k 1—Hora," to-day left il to begin its controver- entific work in the Aegean subject of acute dispute n Turkey and Greece. before it was towed away the docks, the Turkish ment made a deliberate to appease Greece by re- ıg that the ship's work not affect the ownership of gean continental shelf.

want to solve the contin- shelf problem through ations and peaceful " said the Minister of , Mr. Selahattin Kilic. is no obstacle standing way of jointly resolving gean issue."

ns is strongly opposed to ra's mission despite Tur- public assurance that it t be a factor in determin- outcome of the Aegean But how exactly Athens is interpreting the unilateral Turkish move and what course of action it plans to follow are not known here.

Western diplomats are inclined to believe that barring unfore- seen developments the chances of a clash over the Hora are slim.

More overseas news, Page 16

Reuter reports from Athens: Premier Constantine Karamanlis conferred with senior ministers to-day after news that a Turkish oil survey ship had sailed for the disputed Aegean sea. But an authoritative source said Greece viewed the sailing calmly.

Defence Minister Evangelos Averoff-Tossitsas was among ministers who met Mr. Karaman- lis to-day. Armed forces chiefs also conferred at headquarters.

Greece and Turkey, Nato allies, lay conflicting claims to seabed mineral wealth in parts of the Aegean, believed to include oil.

Observers here said much de- pends on where the ship will make soundings, prelude to oil exploration. If it enters dis- puted areas, particularly west of Greek islands in the Aegean, it will be asked to leave. If it declines, it will be removed by force, observers believe.

Greece has said it will not tolerate any violation of its seabed rights and has told Nato countries and the Soviet Union of the possible consequences of such violation.

Greek officials say it would take some days for the Turkish ship to enter disputed parts of the Aegean.

The Greek navy and air force are patrolling the sea and there have been troop movements in northern Greece. Units on the border with Turkey in Thrace have been reinforced.

The dispute flared when Greece found oil off its Aegean island of Thasos in 1974. In the dispute, Turkey says that a con- tinental shelf on which it has rights extends from its Anatolian land mass into the middle of the Aegean. Greece argues that its 3,000 Aegean islands, some within sight of the Turkish mainland, constitute a Greek continental shelf.

Viking hits trouble on Mars

PASADENA, July 23.

SCIENTISTS were to-day work- ing to overcome a mechanical problem which has hit the Viking landing craft and could impede the search for life on Mars.

Trouble cropped up in the vehicle's 10-foot-long auto- matic digger, designed to scoop up the Martian soil for chemi- cal tests to see if any living organisms are present. As the robot-like arm was being put through a series of pre-pro- grammed manoeuvres, it jammed and failed to retract from four inches.

The cause of the snag was thought to be a locking pin which failed to drop off when the arm's cover fell away. Attempts to dislodge the pin will be made on Sunday by ordering the digger to extend itself about 14 inches.

Scientists at the jet propul- sion laboratory 210m. miles away were putting a replica of the lander through its paces in an attempt to diagnose the trouble more accurately.

It was not immediately clear how serious a threat the prob- lem was to Viking's hunt for traces of life. The soil analysis is due to start on July 28 and project manager James Martin said he was fairly confident the experiment would go ahead as planned. "But if the pin hypo- thesis is not the right one and we cannot clear it up on Sunday, we will not be able to dig on day eight," he added.

Reuter

Smith attacked for rejecting race reforms

BY TONY HAWKINS SALISBURY, July 23.

MR. IAN SMITH came under fire from the moderate White opposi- tion parties when he re-iterated the Government's intention to reject the three main reforms recommended by the Quenet Commission into Racial Discrimi- nation.

Mr. Smith rejected the call for a return to a common voters roll, the suggestion that Blacks be allowed to buy land in White farming areas and the plea for a declaration of rights. In a 25-minute statement to Parlia- ment, the Rhodesian Prime Minister said the Government would adopt most of the other recommendations and called on all Rhodesians to work for im- proved race relations.

In a reference to the extreme language used by some of his supporters in attacking the report, Mr. Smith said "I appeal once again to all concerned to couch their comments in terms calculated to offend nobody."

Mr. Smith rejected the call for Africans to buy land in White farming areas on the ground that this would adversely affect farm productivity. The Com- mission had strayed from its terms of references, he added, in suggesting a common voters roll.

The Rhodesia Party promptly attacked the Government for rejecting the three main recom- mendations "at a time when White Rhodesians are fighting and losing a racial war." The simplest way of winning the war and halting Russian domi- nation, said the party, was to drop racialism immediately.

The Centre Party deplored what it called the final break- down of Mr. Smith's much- vaunted political initiative by appointing the "wrong" Africans to Government (the Chiefs) and in adopting a watered-down version of the Quenet report.

Record import bill for S. Africa

BY GRAHAM HATTON JOHANNESBURG, July 23.

SOUTH AFRICA last month chalked up a record import bill of R566m., Pretoria announced to-day, which would tend to con- firm views that the Government's fiscal and monetary policies are failing so far as improving the balance of payments is con- cerned.

Along with the falling gold price, which to-day brought re- newed gloom to Johannesburg banking and investment circles, the figures also explain why the Government decided to tackle the import bill more directly through a deposit scheme.

In the six months ended June imports totalled R3.119bn. (R2.553bn. in the same period last year) and exports totalled R2.204bn. (R1.779bn.). The trade gap thus widened from R797m. to R915m. (15 per cent.), which roughly equals the higher price of foreign currencies resulting from last September's 18 per cent. devaluation against the dollar, and from the floating of other currencies.

The trade figures exclude oil, bullion and certain military equipment. Krugerrands are in- cluded.

survival.

Foreign trade experts were delighted with the June export figure which was also a record. The figure would seem to dis- count fears that the upward trend in exports, which has been in evidence since last June, might be faltering.

Meanwhile many companies which rely heavily on imports will have severe liquidity prob- lems as a result of the import deposit scheme which comes into effect on August 2. Particularly hard hit will be the small busi- nesses without large cash re- sources. Managers of these companies expressed concern yesterday about their chances of survival.

● UPI adds: Most black school- children stayed away from classes in African suburbs around Johannesburg and Pretoria to- day but police said there were no signs the pupils were intimidated to remain at home.

For the second successive day black headmasters and officials of the Bantu (African) Affairs Board blamed the lack of attend- ance at schools in nearby town- ships on confusion over the open- ing day.

NETO IN CUBA

HAVANA, July 23.

President Agostinho Neto of Angola arrived here to-day on his first visit to the country which helped his government to power in the Angolan civil war. Prime Minister Fidel Castro and the entire Cuban leadership turned out to wel- come him.

'No plans' for Smith talks with Vorster

By Stewart Dalby

JOHANNESBURG, July 23.

MR. JOHN VORSTER, the South African Prime Minister, will not be meeting the Rhodesian Premier Mr. Ian Smith over the week-end, according to a state- ment from the South African Prime Minister's office.

Mr. J. Weilbach, the Prime Minister's private secretary, this afternoon told the Financial Times that "there are definitely not any plans for Mr. Vorster to meet Mr. Smith this week-end. There are no plans for them to meet at all at the moment. They might meet later in August, I do not know."

The emphatic denial by Mr. Weilbach has dispelled specula- tion that Mr. Smith, who is thought to be coming to South Africa to watch the first rugby test between South Africa and New Zealand, will try and capitalise on the visit to attempt to brief Mr. Vorster on the talks he had with Dr. Henry Kissinger

[S]oares sworn in

PAUL ELLMAN LISBON, July 23.

ORITY Socialist Cabinet by Dr. Mario Soares, was in here this evening, Portugal its first properly ited government in over ırs. The list of ministers fficially presented earlier Soares in a letter to the ıl Assembly contained rprises.

Soares' difficulties in per- g any figures of political g to take key ministries een common knowledge in for some time. Neither w Finance Minister, Snr. Carreira, nor the Econo- -ordination Minister, Snr. Gomes, is credited with han a nodding acquain- with economic policy-

both can expect to come heavy political fire early Dr. Soares' administration is to grapple with Portu- mounting economic ns. These include unem- nt at 20 per cent., infla- 30 per cent. and a balance ayments deficit which ns to become chronic. lack of technical expertise some ministers has prompted Press criti- ere.

forecast in the Financial the new Cabinet also in- two military men—Lt.- Firmino Miguel at e and Lt.-Colonel Costa t the interior.

are considered close to ıl Antonio Ramalho Eanes w President, and will pro- r. Soares with a constant er of the role the armed forces continue to play in Portuguese politics.

Although the military leader- ship's Revolutionary Council will, in theory, from to-day occupy a back seat in conducting the nation's affairs, in practice it will still exercise, through the President, wide-ranging veto powers.

The new Cabinet, formed on the basis of the 35 per cent. of the votes the Socialists took in April's general elections, is the successor to six provisional Governments set up since the April 25 coup in 1974 ended almost half a century of Right- wing dictatorship. It is the first withou tCommunist ministers in 26 months.

According to Reuter, a bomb exploded in the offices of a Left- wing group to-day shortly before Dr. Soares was sworn in.

Ford rejects TV proposal

WASHINGTON, July 23.

PRESIDENT Ford has rejected a suggestion from Mr. Ronald Reagan, his rival for the Repub- lican presidential nomination, for a joint debate on television during next month's Republican Convention.

White House Press secretary, Mr. Ron Nessen, said the pro- posed interview would only promote division within the party ranks.

Reuter

[S]wiss ease bank curbs

ZURICH, July 23.

SWISS National Bank said it would ease reserve ments on commercial foreign liabilities to about cent. from 65 per cent.

bank had announced on that it was raising these ments to 65 per cent.) per cent., effective July pokesman to-day said that ks would still be required ır. at the rate of 65 per ut would be refunded the ice.

increase in reserve ments announced on July ntended to absorb about 1bn., which was part of in money supply result- om the Central Bank's ntions in the foreign e market during June. pkesman for the bank said that there had been er than estimated outflow tal recently and, as this is required to be con- into dollars, the money had shrunk. The bank at this shrinkage would t to return half of the at the increase in reserve ments would bring in.

ffect, the 55 per cent. e is cut in half to 27½ per making the requirements cent. instead of 65 per

● Guy de Jonquieres writes from Brussels: The Belgian Central Bank to-day raised its discount rate by a full point to eight per cent., apparently in response to the steep 1.5 point discount rate increase announced by the Bank of France yesterday.

Though the Belgian franc has been under pressure during the past few days, and Belgian authorities have had to intervene to keep it within its margin of fluctuation against the D-mark inside the "snake," to-day's move is viewed in Belgian banking circles as being more a preven- tive than an emergency measure.

● Robin Reeves adds: The drop in the French franc has neces- sitated an adjustment in the monetary compensatory pay- ments on French agricultural exports and imports, an EEC spokesman announced in Brus- sels to-day. From Monday, transactions will be subject to a 5.3 per cent. adjustment on the green franc rate, compared with the present compensatory amount of 2.6 per cent., which has ruled for many months.

For the U.K., the compensatory payments—which act as a sub- sidy on food imports and a levy on exports—stays at 19.5 per cent.

[Bo]nn aid for Brazil N-plants

[BY] ADRIAN DICKS BONN, July 23.

L signed credit agree- worth DM4.27bn. in urt to-day with a group t German banking institu- providing about two-thirds financing for the two megawatt nuclear power s ordered from the West n Kraftwerk-Union com- st year.

Federal Government- Kreditanstalt Fuer ufbau (reconstruction institution) is making le DM1.55bn. for 20 years e Brazilian electrical Furnas-Centrais Elec-

sum is being matched by a consortium of lead- est German banks led by er Bank. At the same a Euro-credit worth m. and covering eight is being advanced by a e banking consortium by Dresdner Bank's bourg-based subsidiary, gnie Luxembourgeoise de .

rest rates will be set at ginning of each quarter ing to prevailing market The two 20-year credits e covered by the officially ted Hermes reinsurance n.

remaining costs of the on. project—equal to about 4bn.—will be raised by the ians on the domestic market.

ouncement of the financ- als comes at the end of a week's visit to West Germany by the Brazilian Minister of Mines and Energy, Sr. Shigeaki Ueki, and his colleague respons- ible for planning, Dr. Velloso.

Sharp rise in Austrian deficit

By Paul Lendvai

VIENNA, July 23.

AUSTRIA'S VISIBLE trade defi- cit during January-May 1976 jumped by 57 per cent. to Sch.20.6bn. (about £625m.) com- pared with the same period last year. As a result of the domestic economic up-swing, imports were up during the recorded period of 20.8 per cent. but exports rose only by 12.8 per cent.

The surplus on the services account was up by Sch.1.6bn. to Sch.9.1bn. Net revenues from tourism were up by Sch.1.4bn. to Sch.9.5bn. The current account showed a deficit of Sch.11.1bn. against Sch.5.5bn. during the same period in 1975. The Nationalbank cautions, however, that due ton an extremely high figure for leads and lags the seasonally adjusted account is "not very different" from last year's results.

Long-term capital transactions showed a surplus of Sch.1bn. against Sch.10.6bn. last year. As a result the basic balance of pay- ments during January-May closed with a deficit of Sch.10.1bn. against a surplus of Sch.5.1bn. in 1975.

"Opportunities in property are growing fastest in areas where Merchant Investors is strongest."

That is the view of Richard Ellis, one of the leading firms of Chartered Surveyors, property advisers to many Institutions, and Managers of the Merchant Investors Property Fund.

Their view, therefore, is based on an intimate knowledge and understanding of property and a detailed assessment of current conditions and prospects.

It reflects the widespread conviction that property has come back strongly into its own as an investment medium.

And underlines our confidence that well-chosen property today offers one of the best prospects for the significant and sustained growth necessary to fight inflation.

But it is not just growth prospects which we believe should recommend Merchant Investors Property Bonds to the prudent investor.

Security, tax efficiency, the ability to take a regular income, the strength of a worldwide insurance Group; all these will be of greater or lesser importance to individual investors. Which is why Merchant Investors has constructed its Property Bond to meet all these requirements simply and efficiently.

It is this combination of the prospects for property, the structure of our property portfolio, the built-in features of our Bond and the strength of Merchant Investors which we believe makes the Merchant Investors Property Bond one of the most attractive investments available to the private individual.

Growth you can share in now

Unlike last year's boom in stock market values, which many private investors feel they have now missed out on, the growth in property values looks to be much more steady and consistent. A return in fact to the historic growth pattern shown by good quality UK property. By investing now you can claim your share of the expected growth in property values.

Prime property offers the best prospects

As you might expect, the recovery in property prices is concentrated on prime properties—those in the best locations, fully let and well designed and built to meet the needs of their occupiers today and for the future. Other buildings, the secondary property sector, will take a good deal longer to recover.

Prime property is the area where Merchant Investors has always concentrated its activities, to achieve the right balance of income and capital growth.

The Merchant Investors Fund

Merchant Investors Fund structure is, as Richard Ellis has observed, perfectly tuned to the opportunities in property now and for many years to come. Over the past few years the majority of the Fund's development projects has been completed and the properties let. Today, we have a well spread Fund in excess of £10 million, with 30 properties and a structure as follows:

	%
Offices	19.5
Shops/Offices	24.2
Shops	18.6
Industrial	17.6
Properties held for development	1.6
Liquidity	18.5
Total	100.0

Rental growth—a key to capital growth

When the Government announced the ending of its rent freeze in December 1974, it stated that "a healthy market in commercial property is necessary for the achievement of the Government's social and economic objectives". It thereby removed a major, artificial block to the growth in property values: the value of a building is ultimately related to the amount of rent it produces.

Between now and 1980, rent reviews on Merchant Investors property portfolio, assuming today's rental levels, will increase the Fund's rental income by 60% to 65%. This will also have a major influence on the future value of the Fund's properties.

Supplement your Income
(The Cash Withdrawal Plan)

You can, if you choose, use your Bond to supplement your income by cashing-in automatically a proportion of your units each year—up to a maximum of 8% of your original investment.

For most investors such payments will be free of all taxes. Even higher rate tax payers will pay no tax at the time on the first 5% withdrawn each year and only have a limited liability on anything above this (see note 2 below).

As long as the increase in unit prices (from both net income and capital growth) is greater than the percentage chosen, your Bond will still grow in value. However, should unit prices grow at a lesser rate (or go down) the value of your Bond would decrease.

The effects of a future shortage of property

As the economic recovery builds up, so will demand for property.

For a number of reasons, however, over the past two years new property development has slowed to a trickle. Now legislation, including the Community Land Act, promises to reduce it still further.

There is, therefore, a real likelihood of a serious shortage of new industrial and commercial property when the economy picks up further. And that could mean a rapid growth in the value of the sort of properties that constitute our Fund.

The strength of Merchant Investors

Merchant Investors is a well established life office. Our purpose is to offer private savers in the U.K. the benefits of combining expertly managed investment with unit-linked life assurance to produce tax-efficient and well founded investment contracts.

Merchant Investors is now becoming part of the worldwide Nationale Nederlanden Group. Nationale Nederlanden is the largest insurance company in Holland with assets of £2.8 billion.

How to invest

While you should remember that the price of Property Fund units can fall as well as rise, Merchant Investors well spread, professionally managed Fund is extremely well placed to take advantage of any improvements in the property market.

To invest in the Fund at the current price of **118.9p** per unit you simply need to send the application form below, together with your cheque, TO REACH US NOT LATER THAN FRIDAY, 6TH AUGUST. Thereafter units will be issued at the price ruling on receipt of your application.

Everything else you should know.

1. Life Cover.
Your bond automatically gives you guaranteed life cover, as detailed below. In the event of your death, the amount payable will be either this guaranteed sum or the then current value of your bond, whichever is the higher. The level of life cover and the number of units allocated to your bond will be reduced if withdrawals are made.

Age when buying Merchant Investors Property Bond.	Guaranteed Life Assurance per £1,000 invested.
Under 30	£2,000
30–34	£1,800
35–39	£1,600
40–44	£1,500
45–49	£1,300
50–54	£1,200
55–59	£1,100
60 and over	£1,000

2. Personal Taxes.
With Merchant Investors Property Bonds you have no personal liability to basic rate tax or capital gains tax and you do not therefore have the trouble of keeping records. Higher rate tax and investment income surcharge could arise on the gain realised on death, or when cashing in, or on withdrawals, but only if you are then in these brackets, in which case this is calculated on advantageous terms (details available from the Company).

3. Company Taxes and Statutory Levies.
The rental and other income of the Fund is reinvested in the Fund subject to tax at the special life assurance company rate of 37½%. The Company is also liable for Capital Gains Tax at 30% (although the unit price itself will be adjusted for this liability normally at a rate significantly less than 30%) and this liability together with any statutory levies is deducted from the Fund.

4. How you can watch the value of your bond.
The Fund is divided into units which are valued each month. A single unit price is declared (no difference between buying and selling prices as with most other Funds) and is published in leading national newspapers. A full valuation of all the properties in the Property Fund is carried out each month by independent chartered surveyors, Jones, Lang Wootton.

5. What are Merchant Investors charges?
There is an initial charge of 5% on your investment. Thereafter there is an annual charge of not more than 1%—at present this is limited to ½%—of the value of the Fund. This covers the life assurance and all other Company charges. The cost of managing and valuing the properties is met by the Fund.

6. Continuing Information.
Every six months, Merchant Investors will send you a Fund Report describing all the Fund's investments.

7. How to cash in your bond.
At any time you can complete a simple form and you will receive a cheque for the full value of your units as determined at the next valuation.
To protect bondholders' interests, the Company may, in exceptional circumstances, defer the calculation and payment of surrender values for up to six months. This will not apply in the case of the death of a bondholder.

8. Trustees.
Barclays Bank Trust Company Limited, 54 Lombard Street, London EC3 are custodians of the Fund as trustees in accordance with the requirements of the Department of Trade under the Insurance Companies Act 1974.

The death benefits come into force only upon acceptance of your application by the Company, which reserves the right to offer restricted life cover if you are not in good health or for any other reason.

This advertisement is based on legal opinion regarding present law.

This offer is not open to residents of the Republic of Ireland.

Merchant Investors Property Bonds

MERCHANT INVESTORS ASSURANCE COMPANY LIMITED
Grosvenor House, 125 High Street, Croydon CR9 1LP Telephone: 01-686 9171

I wish to invest ________ (minimum £500) in Merchant Investors Property Bonds and enclose a cheque for this amount payable to Merchant Investors Assurance Company Limited.

Surname: Mr./Mrs./Miss ________

Full first names ________

Address ________

Occupation ________

Date of Birth ________

Are you now, and have you always been in good health? ________

If not, please give or attach details ________

Cash Withdrawal Plan.

If you wish to receive regular payments under the Cash Withdrawal Plan (minimum investment £1,000) please indicate percentage of your original investment (up to 8%) which you wish to withdraw each year: ________%

(If you leave the box blank, the income and capital will be accumulated in the Fund for you. You can at a later date receive regular payments under the Cash Withdrawal Plan simply by writing to the Company).

Tick box to indicate frequency of payment you require under the Cash Withdrawal Plan.

☐ YEARLY (investment of at least £1,000)
☐ HALF-YEARLY (investment of at least £2,000)

Signature ________

Date ________ FT 01P 24/7

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SATURDAY, JULY 24, 1976

Spending cut, tax up

THE GOVERNMENT had let it be known that the Chancellor would be making a statement about cuts in next year's planned public expenditure before Parliament rose before the summer recess. Once the general shape of the cuts had been decided at a series of Cabinet meetings, however, it clearly made sense to announce them as soon as possible. Although the Chancellor pointed out that the economic recovery was proceeding rather faster than expected at the time of the Budget and that the public sector should therefore prepare as soon as it could to make room for the rising demand of the private sector, the level of unemployment—which he expects to reach its peak before the end of the year—would have discouraged large cuts in public expenditure in easier circumstances.

The main avowed objects of the cuts, which will not take effect until 1977-78, are first, to make room for a major shift in the balance of the economy, which will give the strengthening of the country's industrial base priority over the growth of public and private consumption for the next few years; and second, to assure those who will have to finance our payments deficit in the meanwhile (the existing central bank credits will probably have to be refinanced soon by the International Monetary Fund) that the Government is going about achieving this shift in a sensible way.

First reactions

The public sector borrowing requirement is expected to be £11½bn. (in place of the £12bn. originally budgeted for) in the current financial year, and industrial recovery alone is expected to reduce it by another £1bn. in 1977/78. The Chancellor, however, is aiming to reduce it to £9bn. or less. He is therefore cutting next year's public spending programmes by around £1bn. and at the same time planning to raise almost as much in new revenue by an increase in employers' National Insurance contribution, which will in practice be treated as a new tax.

The initial, slightly disappointing reaction of the financial markets to this package should not be taken too seriously. Sterling fell back a little because expenditure cuts of around £1bn. had already been generally discounted, and gilt-edged went the same way; the latter market had supposed that the fall in this year's borrowing requirement would be much larger than the official estimate. As for equities, sentiment was almost certainly affected by the new tax on companies, the impact of which on sentiment was only partly offset by some further relaxations in the Price Code.

Investment

It is too early at this stage to judge how far the cuts in expenditure will be carried through and what their economic effect will be, but the Chancellor has not shrunk from measures which will incense some of his left-wing backbenchers as well as slowing down the drop in unemployment—though fresh measures to help the young unemployed are still to come. He is also taking steps, notably in the field of public housing, to ensure that this year's expenditure is kept within the estimates more effectively than in the past.

On top of this, he has broken with precedent by giving a forecast of the growth of the money supply during this financial year, which is not only reasonably compatible with further progress in reducing the rate of inflation but will help to satisfy the IMF that inflation will actually be reduced. The main serious complaint to be raised against his programme is the rise in company taxation. Even though company profits should be growing well next year and the Price Code will allow the tax to be passed on in higher prices if market conditions permit, it must raise new doubts in the minds of businessmen about the Government's attitude to private industry. It repeatedly says that it wants a more profitable private sector and a major increase in captial investment. It would have been more likely to achieve these aims if it had knocked more off public spending instead of imposing an unlooked-for new tax on companies.

Mr. Healey's £1bn. package of spending cuts has forced the Department of the Environment to reappraise its housing policies. Michael Cassell reports

Housing standstill: a look at the books

THE DECISION by Mr. Peter Shore, Secretary for the Environment, to re-impose controls on council housing for the first time in almost ten years, signals the beginning of a period in which much tighter controls on housing expenditure can be expected.

While Mr. Healey's £1bn. package of spending cuts made immediate action by Mr. Shore necessary, there is little doubt that the clamp down on housing would, in any case, have come before long. The Department of the Environment has become increasingly alarmed at the rate of overspending by local authorities on housing schemes in particular, and while no Government department welcomes a reduction in its budget, Ministers within the DoE are determined to grasp the opportunity to restore order to an area which has been out of control.

Figures before Mr. Shore clearly show that housing has been running towards large-scale overspending in 1977-78, partly because the programme of new building has been going ahead faster than expected. In 1975, a start was made on 174,000 local authority homes and a similar total is expected this year, while completions in 1976 which will reflect work started over the last 18 months to two years should touch around 160,000, as they did in 1975.

Gross investment in new council houses in England during 1977-78 is set at £1.14bn. but the current rate of tender approvals has failed to bear any relation to the target and overspending of around £100m. during the next financial year already looked likely.

Concentration on stress areas

This year, local authorities have been approving work on about 9,000 new homes a month and the immediate priority will be to cut this back to 6,000 so that the original 1977-78 expenditure figures can be met and the actual rate of approvals falls back to below 100,000 against an estimated 108,000 this year.

For the next two or three weeks, while the DoE gets the message firmly across, housing authorities throughout the country are being told to call a complete halt to everything other than housing projects already underway. They will not, until further notice, be able to let any further contracts or accept estimates from their own direct labour operations and neither can they enter into any land buying arrangements. Housing associations, which are becoming increasingly significant as a third arm for the house building industry with not inconsiderable amounts of money to spend, are also being told to hang fire.

Ministers are laying great emphasis on the fact that when the freeze lifts and the new priorities have been sorted out, the housing finance available will be put to use where the need is greatest, in the so-called "stress areas" on which the Government has been concentrating more attention and financial resources. Clearly annoyed at some of the controversial cases involving what many people regard as the needless squandering of public funds on luxury type council housing developments, the DoE will not be in any mood to accede to any fanciful schemes now being proposed.

It may well not be a coincidence that the pattern of housing priorities which now seems to be emerging could bear a distinct resemblance to some of the recommendations being put together in the present review of housing finance, set up by Mr. Shore's predecessor, Mr. Anthony Crosland, to examine the whole area of housing finance and to try to formulate a more equitable and balanced system for its distribution.

The review's findings are already overdue and the chances are that it will not be released until October or November. Mr. Shore will, however, have a clear idea by now of the way in which the review is moving and while he is known to disagree with some of its thinking, there seems a good chance that his current intention to direct housing finance to areas of greatest need, involving improvement and renovation work as well as new building, will reflect the opinions of the review body.

Mr. Shore is as well aware as anyone of the growing Exchequer subsidy element involved in local authority housing development, which is fast becoming extremely difficult to finance at present rates of output. The continuing need for council housing is accepted without question by the Minister and his colleagues, as it will be by the review, but whether the country can in future continue to support a local authority house building programme on the scale previously achieved must be in considerable doubt.

The review could well accept the argument that, in future, tenants of council homes will have to make a more realistic contribution towards the cost of their housing, to enable a sizeable programme to continue. Mr. Shore, however, is unlikely to welcome such a recommendation, especially at a time when success for the Government's policy on wage restraint is regarded as vital to Britain's future economic well-being. His refusal to consider as part of the latest cuts any reduction in existing subsidies designed to keep rent increases down clearly portrays his feelings in this particular direction.

Not unnaturally, Mr. Shore decided that the biggest contribution his department could make to the cuts should come from an area which would not directly reduce the provision of new homes or further affect the already very bad employment situation in the construction sector. The obvious target, and one which Mr. Crosland used before him, was the allocation of funds for lending by local councils to people wishing to buy their own homes.

The assumption is that if local authorities cannot lend for house purchase, and there are many people within the Government who do not believe this to be part of a local council's responsibilities, then the gap can be filled by the building societies, whose job it is to finance home ownership.

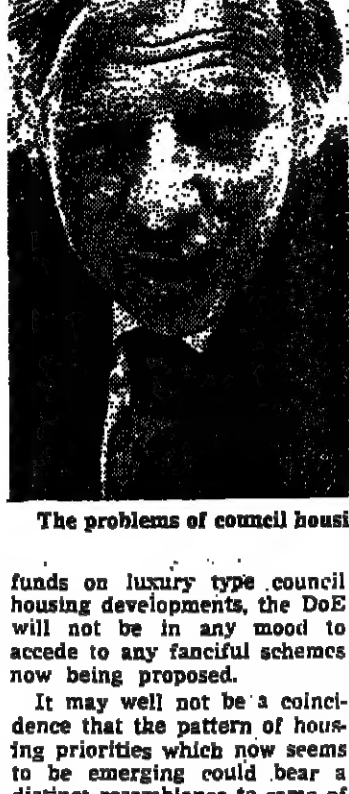
In lopping £150m. off the current £276m. local authority budget for home loans, he used an effective, but rather painless, instrument for reducing expenditure. Mr. Shore said that the societies would be doing their best to take over where the local authorities had been forced to leave off. What he did not say was that at one stage he was anxious to stop council lending for mortgages altogether, and that societies were asked if the additional demand on their resources would provide many difficulties for them.

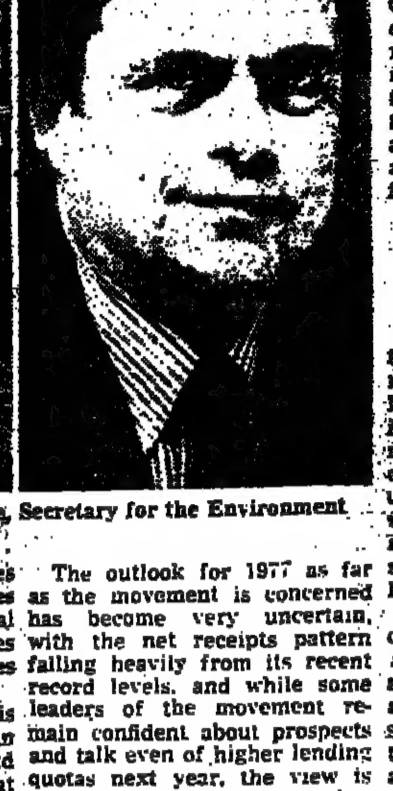
For a movement which this year plans to lend no less than £6bn. to house buyers, it would have been hard to argue that an additional £276m. would place an unbearable strain on their funds, although in the event they were not finally asked to take on the whole burden.

But although the figure is comparatively small, it would be wrong to imagine that the building societies are particularly happy at the prospect of further and deepening involvement in a sector of the housing market consisting mainly of older, run-down property, for which they have a traditional dislike.

There is no doubt that the movement will, as it eventually did last time, attempt to help people whose chances of buying a home are hit by the council cut back, but societies have repeatedly emphasised that they will only lend to people and on properties which meet their fairly rigid requirements. The irony is that those requirements can exclude many of the applicants who will turn to them because the council has run out of money. Certainly the Government has not attempted to get the societies to broaden their lending policies. Equally certain, some people who would have been successful in obtaining a council loan will not now get a mortgage anywhere.

But apart from the societies' reluctance to finance a sector of the housing market in which local authorities are prepared to become involved, there is considerable doubt this time that they will be able to find the money to help out.





The problems of council housing have brought forward different solutions from Mr. Peter Shore, Secretary for the Environment (left) and Mr. Timothy Raison, shadow spokesman.

The outlook for 1977 as far as the movement is concerned has become very uncertain, with the net receipts pattern falling heavily from its recent record levels, and while some leaders of the movement remain confident about prospects and talk even of higher lending quotas next year, the view is not universally shared within the societies.

The Minister's attempts to cut expenditure while not upsetting his general housing strategy will be closely scrutinised by the Conservatives, who are now in the final stages of preparing a fresh package of housing policies of their own, which are intended to form a vital part of its future electoral appeal.

The plans place the emphasis, not surprisingly, on the further advancement of the private, owner-occupied sector at the expense of local authority housing and, at the same time, aim to provide more freedom and restore "respectability" to the private rental market.

While the Tories may not this time be indulging in the straight "cheaper mortgages for all" approach which Mrs. Thatcher, as Shadow Minister for the Environment, pursued [...] the second of the 1974 elections, the Party attempted to put together [...] folio of policies which w[...] high in the public po[...] stakes and which, it [...] political opponents w[...] difficult to beat.

Underlying the party' approach to housing is [...] tain knowledge, back[...] innumerable statistics [...] variety of sources that never has been a greater [...] for home ownership. Al[...] per cent. of the housin[...] is in the hands of [...] occupiers and there seem[...] chance that the figure c[...] considerably higher.

And while the Government may feel ex[...] reluctant to do anything shifting resources away [...] local authority housin[...] Conservatives have n[...] qualms, believing as the[...] rally do that the council invariably receives a [...] financial deal from th[...] than the owner-oc[...] although he is not nec[...] any less able to pay a fa[...] for his accommodation.

Tory policies [...] preparatio[...]

It is clear, though [...] the Conservatives also [...] not wish to see [...] housing continuing to p[...] important part in meet[...] nation's housing needs, b[...] centrating on those [...] urgently requiring assist[...] well as those prepared [...] a fair price. Mr. [...] strategy may well eve[...] have to go the same wa[...]

In spite of the predom[...] of measures to stimula[...] assist the owner-o[...] sector, the Conservative[...] also spent a great deal [...] searching for ways to re[...] the private rented sec[...] area they claim was larg[...] waste by the 1974 Rent A[...] private rental market h[...] claim, been hopelessly [...] up and large numbers of [...] tial landlords have [...] frightened off by le[...] which tilts too heavily i[...] of the tenant.

Other proposals [...] measures to boost counc[...] ing sales while substant[...] for the first-time house[...] in the form of state[...] contractual savings sche[...] shared equity house p[...] are also being consider[...]

For the time being [...] the Conservatives ha[...] luxury of being able to [...] plate their housing stra[...] length. For Mr. Shor[...] whelming economic p[...] from beyond his dep[...] have meant swift and [...] able action of the type [...] does not appear in [...] prepared manifestos.

Letters to the Editor

Manpower

From The Chairman
The Anne Shaw Organisation

Sir,—I have read with interest Peter Riddell's article of July 20. It seems however to disregard the part played by manpower.

Britain's most important asset is its manpower, yet people talk as though our problems can be solved by investment, for it is suggested that we have a shortage of modern machines. This is certainly true but any investment in machinery will not show its results for four or five years and invariably creates an adverse employment situation. This therefore does not cover our immediate problem of improving our labour costs per unit at the same time as maintaining employment.

The thing that ensures the success of our production is not basically our machinery but the manpower that operates and controls it; manpower from the shopfloor to the boardroom. The latent additional output of most of our present industrial equipment and people is in excess of 20 per cent. The immediate major problem is how to release this untapped potential—how to create the right environment that will allow both management and operators to get the best from what they already have.

The largest single barrier to moving towards the improved efficiency is the fear people have of redundancy—losing their own jobs. This applies just as much (and often more) to management as to the shopfloor—a perfect formula for blocking any change, as changes always involve the unknown and are therefore considered dangerous.

To remove this barrier and create the will to seek improvements in efficiency I think it is necessary to guarantee no redundancy anywhere in the organisation. If everybody worked together in the company to promote maximum efficiency there would be considerable results in many forms. Those who were not needed on current production work could be used to help develop and instal improvements that would create the right conditions for maintaining maximum effort. There would then be the possibility of being ready for increased sales as the economic climate improves.

I find that by beginning such an approach with some form of participative exercise for everyone, the workforce develops a greater involvement and satisfaction in their jobs. Those transferred to other work in the company often develop new interests, particularly after some further training. The supervisors find that they are being brought in and participating much more than they have been in the past. They are a group which tend to get left out and they must be in to see the smooth running of production.

Other members of management would get the satisfaction of being party to an experiment that was going to bring about big developments and big opportunities for the company because they would be ready to move forward as the trade cycle moved up. Also they would be making a contribution to maintaining employment, and as the scheme got under way, creating jobs where most needed.

Anne G. Shaw.
Brooklane, Alderley Edge, Cheshire.

Mortgages

From Mr. C. Fry.

Sir,—There are two points which I would like to make with regard to your comments (July 16) concerning availability of mortgage money.

The first is that it is not generally realised that there is a relatively long period between the initial granting of a mortgage in principle and the final lending of the money. The figures which are generally quoted for "loans made" reflect commitments made anything up to as much as four to six months previously. The very high June lending figure is likely therefore to give the public the wrong impression regarding availability of mortgage funds at the present time. In the last month the Building Societies have severely curtailed their lending and it is now very much more difficult to obtain a loan. This fact will not, of course, be made obvious from the figures until November or December of this year.

The second point which is worth mentioning is that although the Building Societies have substantial reserves and their liquidity ratio is extremely high, it cannot be taken for granted that they will run these down as you suggest to make up for the lack of inflow of funds. The general impression is that the Government has indicated to the large Building Societies that it would be extremely unhappy to see lending continuing at anything like the present rate and this is one of the major reasons why Building Societies are curtailing their lending at the present moment. Presumably the reason behind the Government's thinking is that the ready availability of mortgage loans may slightly increase house prices which may in turn affect the Government's negotiations in other spheres.

Certainly, if I was a builder starting to build at the present moment I should be rather concerned by the current trend.

Charles Fry.
Johnson Fry and Partners.
54, Grosvenor Street, W.1.

Grants

From Mr. R. Griffiths.

Sir,—Elsbeth Ganguin (July 14) "The problem of school leavers"—says the Training Services Agency hoped to place young people in other than craft training occupations. Unfortunately, the TSA cannot offer training places followed by continued employment: junior operators are trained and then returned to the unemployed pool. Surely, it would be better if the TSA paid *per capita* grants to industry to recruit young school leavers with definite job prospects at the end of training.

R. E. Griffiths.
20, Lodge Crescent,
Warwick.

Commission

From Mr. P. Cole.

Sir,—Referring to the recent correspondence about life assurance commissions, the premium-related commission structure is right for the industry and is long overdue.

A better basis, however, than the one already proposed would be to have a scale of commission which increases each year the policy is kept in force—by the physical payment of the premiums, of course. This would sort out the genuine professionals from the commission grabbers.

P. S. Cole.
5, Seymour Avenue,
East Ewell,
Epsom, Surrey.

Unions

From Mr. G. Mills.

Sir,—Your article (July 13) on the issue of trade union participation in pension fund management suggests that the bland assumption by the White Paper that "trade unionist" has now superceded "employee" is either "a further step towards industrial democracy" or a monstrous extension of "trade union power" according to your political viewpoint.

It is difficult to see how any form of closed shop can, in fact, be anything but the complete negation of demdcracy but it is probably far more dangerous to continue to interpret moves of this sort as being at the instigation of the unions quae unions.

The danger arises because expansion of trade union membership has a political purpose — the establishment of a permanent electoral advantage for the Labour Party. While it would be wrong to suggest that trade union members automatically support the Party, history and the major effort of the Labour propaganda machine suggest that the majority will. It is therefore, at least probable that a universally trade-union workforce (please Mr. Benn, who apart from the legendary "idle rich" and the retired are not "working people"?) would produce a substantial majority of Labour votes.

Now this purpose is entirely legitimate, as is any argument in its favour, however, divisive or exaggerated. When, however, it is pursued surreptitiously through the Statute Book under the guise of progressive legislation it surely becomes as much "cheating" as Parliamentary jiggery-pokery or electoral boundary-rigging.

It is to be hoped that the unions may soon realise that they have outgrown a political arm that now uses them as cynically as the present Government as a means of securing its own survival. In the meantime, with an Opposition that can be rendered even less effective than usual by the distribution of a few beads to the right natives, we should all assert our rights to be classified as "useful members of society," "working people" (or even "employees") without a legal obligation to show a union card.

G. P. Mills.
Bendrose End, White Lion Road,
Amersham, Bucks.

Southport

From Mr. I. Hargraves.

Sir,—I feel Ben Wright (July 17) may have been less than fair to the people of Southport in his inquest on the recent Open Golf Championship. Without wishing to seem an apologist for the town, I must point out that it is extremely difficult for a small resort to cope adequately with a small invasion of overseas visitors. Hoteliers can hardly be expected to gear themselves to trade which lasts one week in every five years, although in most cases, they make considerable efforts to do so.

Since most proprietors of hotels and boarding houses are obviously geared to looking after visitors who stay for a minimum of a week, it is hardly surprising they are anything but enthusiastic about guests who expect to stay for four or five days and who wish to have meals served after regular staff have gone off duty.

So far as the Championship itself is concerned, the organisers this year were forced to cope with the most intense heatwave enjoyed by the town for many years. As the *Southport Visiter* pointed out well in advance of the tournament, the need for air conditioning and iced drinks was considerably greater than anyone could reasonably have foreseen. Catering and other amenities within the tented village may indeed have been barely adequate, but that is hardly the fault of Southport people who have little to do with that side of the championship.

May I suggest that like many other sporting events (including the Olympics), the Open Championship is becoming the victim of its own success. Sooner or later the organisers must decide whether they wish it to be a show biz extravaganza, or a genuine sporting competition. Sadly, if they chose the latter, a supply of money to finance it would propably dry up as rapidly as some of the beer barrels did this summer.

Ian Hargraves.
25, Rose Place,
Aughton Park,
Ormskirk, Lancs.

Tourism

From Mr. R. Stafford Smith.

Sir,—The article by Arthur Sandles on tourism in last Saturday's edition raises some issues which are of very profound importance to the current British situation. It is not generally recognised just how important tourism is as a job generator.

Many things about tourism are not recognised by Government and on the whole the tourist industry has only itself and the ineffectiveness of the British Tourist Authority to blame. The importance of the tourist industry both as a foreign currency earner—and one with a very high net to gross ratio—and as an employment generator in an area in which automation has little part to play are are so self evident that it should have been possible for even the BTA to get the message over to the Department of Trade and so into the minds of the Cabinet.

The trouble I suspect stems from the very complacency of the BTA. It has allowed itself and the rest of the industry to accept results—8.8m. visitors in 1975 spending just over £1.1bn. — which would make any self-respecting Spanish tourist official blush with shame! "Par" for the course bearing in mind the size of the global cake of tourism and the magnets which we have to attract our slice of that cake is almost certainly two and a half times those figures and possibly even higher now that the £ is so low.

But because the BTA has never done its sums properly it has been unable to guide either those in the industry or those in allied industries on which it depends—so that they can produce the goods. What is now required is an overall plan to ensure that the tremendous magnets which we have to draw foreign tourists are used to the full and that we have the carrying capacity and hotel capacity to deal with the resultant rush.

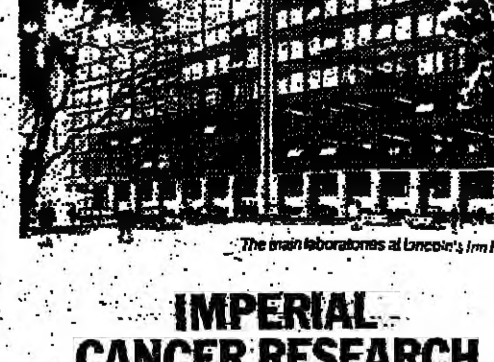
Dick Stafford Smith.
Avenfield House,
Park Lane, W.1.

FIGHT BACK AGAINST CANCER

It is good to remember that most people live their lives untouched by any form of cancer.

But as all too many are aware, cancer is something that casts its shadow far beyond those it directly affects. That is why so many people think it right to help the urgent work of the Imperial Cancer Research Fund.

From our discoveries in the past has come much of today's hope for sufferers. To go forward with our research for future alleviation, we ask *your* help in the present.



The main laboratories at Lincoln's Inn Fields

IMPERIAL CANCER RESEARCH FUND

Donations will be most gratefully received by The Appeals Secretary, Room 77/6, P.O. Box 123, Lincoln's Inn Fields, London WC2A 3PX

Often praised as the safest bet of all, gold has taken a tumble in the market this month. **Michael Blanden** explains.

How the price of gold was tarnished

housand years ago it there was a curse on : same could be said ? market these days." ; the comment of one alers in the gold mar- iesday, when the price netal slumped to its vels in over 2½ years. in of the spell is no ı ancient history. It n cast again from e Atlantic as a result ctivities of the Inter- Monetary Fund and ly practical and pre- attitudes of the U.S. s.

ımediate cause of the op of the price is the the IMF sales of gold. ıolders are worried effect of a continuing ıetal onto the market ; source. Behind that determination of the nsistently displayed the years in inter- discussion of gold, to metal of its magic and old function as a value for private in- and for States. The ice should be welcome J.S. and indeed Mr. ırns, Chairman of the Reserve Board, has ted this week as say- on balance, it was "a g."

countries concerned, are unable to regard ion with such equani- ıe U.K. can take a dispassionate view. tizens are not allowed directly in gold bul- Britain neither mines nor holds substantial in its official interna- erves. The situation at for those countries ? large producers or ve pinned their re- to gold.

first category the fferer is clearly South Africa, where the falling price of a major export is directly damaging both to the mining industry, and to external payments. This week, South Africa has been forced to introduce a tough package of new economic measures, including import deposits, ın an attempt to avoid the possibility of a further devaluation of the currency. The gold market is one of the main factors in South African economic problems.

Perhaps less publicly, the Soviet Union has similar problems. Little is known about Soviet gold production. It is known, however, that the country relies on significant sales of the metal to help pay for its imports, particularly when it needs to buy grain abroad. The Soviet approach to the gold market has shown considerable sophistication in the past, sales were handled to take the best advantage of price movements. But with the present weakness of the market, that is going to be difficult.

France

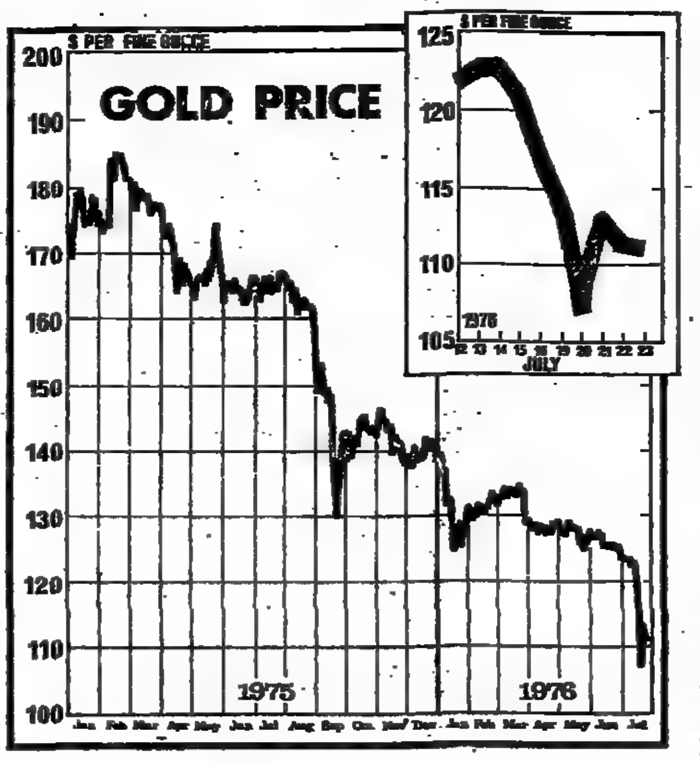
The country which has been most publicly devoted to gold—and the leading opponent of the U.S. point of view—has been France, which is suffering pressure on the franc at this time. The French are among the more devoted hoarders of gold. And as a country, France keeps a substantial amount of its international reserves ın gold. The value of these has dropped sharply since France first revalued its holdings to market levels at the beginning of last year, basing the valuation on a price of $170 an ounce.

The difficulties which the reduced price raises for a number of countries underlines that supply and demand in the market is subject to influences not fully governed by normal market behaviour. The world no longer operates on a gold standard, with currencies tied to gold. But gold still has important monetary functions. And these make it an exceptionally complex task to analyse the forces which affect the price.

An official gold price of $35 an ounce was part of th epost-war monetary system. For a period in the 1960s the major industrial countries, by interveneing in the market, kept the unofficial price close to that level, despite inflation, which then was relatively slow. But in 1968, with its monetary and political upheavals it became impossible to hold this position any longer, an dthe market was split into two tiers with the official sector, still at the old price, separated from private dealings.

In 1973 and 1974, world-wide inflation and the collapse of stock markets brought a rush from paper currencies into gold. Speculators saw the chance of making large profits as the gold price was adjusted upwards from the artificial levels at which it had been kept for so long. Now the upsurge has been partly reversed as the motives for private speculative interest have weakened and official activities have produced a new flow of gold on to the market.

The gold market is a free market. The price of the commodity is determined by supply and demand at any time. In 1974, demand rose sharply, taking the price to a peak at the end of the year not far short of $200 an ounce and bringing large profits to many people who had bought on the way up from the old official price of $35 an ounce which had ruled for years. Last year, demand fell again, taking the price down with it, and recently the depression has gathered pace.



The important and distinctive point about gold is that, unlike many alternative ways in which individual savings can be held such as bank deposits or investment in equity shares, it offers no current return to the holder. No interest or dividends are received. The continuing attraction of the metal arises for reasons which range from its ancient virtues as an indestructible and easily divisible way of keeping wealth, to more modern speculative hopes of an appreciation of the gold price itself.

Moreover, because of its physical characteristics—it does not, for instance, corrode—the amount of gold around vastly exceeds the volume of new production coming from the mines each year. Somewhere in the world, all the gold ever dug out of the ground whether by the Aztecs or the South Africans is being kept. So the pattern of the market can be much more influenced by movements in existing holdings — including official reserves of countries and the IMF stock—than by the amount of new gold being produced.

People who buy gold can be divided into a number of—sometimes overlapping — categories. First, there is industrial demand. To the extent that it relates to manufacuring purposes in the advanced countries, including jewellery, this demand reacts predictably to price movements. It fell off sharply when the price jumped in 1974 and manufacturers sought alternative materials to meet their requirements.

Industrial demand does, however, overlap with the second main category of buying, described under the general heading of hoarding. This can be defined generally as buying of gold to keep for the long term as a store of value and an insurance against disasters. The main outlets for this kind of buying lie in the Middle and Far East and India; but it includes, as well as purchases of gold bullion, the simpler forms of jewellery (with relatively little value added in fabrication) which are owned with similar motives in these countries.

Finally, there is the gold buying generally listed under the heading of investment and speculative purchases. These buyers are distinguished from the traditional gold hoarders by being interested not so much in keeping the metal for the long term, but in seeking to make a turn out of the potential rise in the price.

The supply of metal is easy enough to identify as far as it relates to new mine production. South Africa is by far the biggest, accounting for around 708 metric tonnes of last year's total free world output of 951 tonnes. Mine production has been falling pretty consistently for the past few years, with last year's figure the lowest since 1958. One important reason is the apparently perverse reaction of output to price movements. Higher prices tend to lead to lower production. The reason is that when prices are higher, mines can make a profit by using lower grade ores leaving higher grades for bad times.

But that kind of consideration cannot by itself explain the movements of the gold price which is easily upset by other influences, including the existing gold stocks. Sales of gold by the Soviets are always one unknown; last year, for example, they were unexpectedly low, at an estimated 149 tons. But the biggest drag on the market has been the prospect of a continuing supply of metal from official Western sales.

This problem has arisen for the market at a time when the purely private elements in the market have been less favourable to the gold price. The heavy investment and speculative buying which was dominant in 1974 would probably have been much reduced last year in any case, since the lessened world inflation and the improvement in alternative investment outlets such as the stock markets considerably reduced the incentives behind such buying interest.

The IMF began to move in August last year, when it was agreed in principle to abolish the official gold price (which has been in any case well below market levels at around $42 an ounce). This in itself removed one speculative hope, that the role of gold in the international monetary system might be reaffirmed with a sharp upward adjustment of the official price. At the same time, it was agreed that the IMF should get rid in total of a third of its own holdings; one-sixth (775 tonnes) is to be restored to the member countries, and another sixth to be auctioned off to finance a special fund for developing countries.

The obvious implications of this move caused an immediate setback to the market. But the damage done has gone further as, first, the arrangement was confirmed in January and then the IMF got down to sorting out the details of its auctions. They are to be held at intervals, with altogether 16 planned over the next two years. Two have so far been held. At the first, a common price of $126 an ounce was set; at the second, last week, the price was down to $122.05.

Before that, it had begun to look as if the gold market had settled down in a reasonable equilibrium at prices well below the peaks, with enough demand to absorb the prospective flow of gold onto the market, including official sales. But, given the outcome, speculators who had bought before the auction, expecting it to produce a better price than was actually achieved, unloaded holdings, thereby further depressing the price.

Auction

The irony is that it is not obviously in the interests of the IMF itself or of a number of central banks to see the price of gold go down too far. Recent events have indeed prompted widespread speculation that to protect itself the IMF might decide to call off the next auction due in September, though it has said that it has no plan to do so at present. But the market will not be happy until it is persuaded that the flow of official sales can be easily absorbed. The major requirement is to see that central banks will take up some of the metal.

At present, central banks are not meant to buy from the IMF (though changes in the rules are proposed); but at the first auction the significant purchases by the Bank for International Settlements (the central bankers' bank) and the avowed interest shown by France brought some reassurrance. Now, the market is less certain, and with the continuing overhang of official sales nobody is looking for great strength in the gold market.

ABOUR NEWS

⊃ATT says 30,000 ilding jobs will go

RISTIAN TYLER, LABOUR STAFF

0,000 building workers it out of a job because ıancellor's 1977-8 cuts ds programme, council and local authority lending, the Union of on, Allied Trades and ıs said yesterday. on said it was appalled vagery of the cuts in ıtry where present nent is estimated at ıt of a labour force

ansport and General Union said it was very at the serious effect engineering and conworkers. An official that if the building sector and ancillary were included current nent was 350,000 out of 2m.

and employers will Reg Freeson, Construction and Housing Minister, on Thursday at his invitation to protest and to hear the Minister's defence of measures which are widely regarded as less severe than expected.

Even before the Chancellor's speech this week, TGWU leaders decided to call the union's sponsored MPs together to tackle the Government in the House of Commons on the general plight of the industry.

UCATT said yesterday the £87m. taken out of the roads programme would lead to indefinite postponement of important schemes. It pointed out that the £140m. squeeze on local authority mortgages followed a cut of more than £100m. last year.

"Once again construction is the ready target of Government at a time of economic crisis," the union said.

WU urges action over te sector democracy

N PIKE, LABOUR STAFF

nalised industries are action to achieve lustrial democracy in- ransport and General Union, a staunch of 50-50 trade union. tion at Board level.

ınment inquiry into in- democracy in the d industries is taking parallel with the ommittee's investiga- e private sector.

WU, however, is con- at progress towards rticipation in the pub- hould not be delayed ıils by final decisions on the Bullock recom- s.

tement devoted speci- civil aviation, but reflecting its general attitude, the union says nothing less than early Government action to re-write the nationalised industries' statutes will suffice.

In aviation, the TGWU calls for a "radical extension" of industrial democracy in British Airways, the Civil Aviation Authority and the British Airports Authority based firmly on the proposals of the Trades Union Congress.

The union suggests that the existing Boards of the three organisations should be reconstituted to give the trade unions equal representation with the other Government-appointed directors. The TGWU feels that the trade union directors should be shop stewards or their equivalent.

ctors to meet Premier

ER CARTWRIGHT AND DONALD MACLEAN

leaders are to meet Minister Mr James on Monday afternoon equest, to discuss the unrest in hospitals

d Ennals. Social Secretary, met representa- he doctors yesterday irst time since they ng action on Monday. is visited a hospital ali where he was born.

iling to dissuade repre- of 2,000 Midland tors to call off action, s said he hoped they mit their claim next ıe doctors' pay review

tors are in dispute over to junior doctors of salary at the year-round rate, inclusive of normal overtime earnings, during periods of annual or study leave. This is something the doctors believe the Government has agreed to but which the Government lately has argued is ın breach of the pay policy.

Some doctors have been working only a basic 40-hour week; some are treating emergency cases only; others plan 24-hour stoppages.

There is also unrest over the Government decision to use the "guillotine" procedure on the health services Bill, which covers the separation of private practice from the National Health Service and official control of private hospital development.

stops Investors Chronicle

R LABOUR STAFF

k's issue of Investors failed to appear yes- fter a dispute with s over a statement in issue. The magazine rday the dispute had ed and next Friday's ld appear.

The dispute was over a statement by the editor announcing that Mr. Michael Orme had been dismissed from the editorial staff "following an inquiry into his personal share dealings by the Council of the Stock Exchange."

Maritime Fruit obtains injunction on ships sale

BY ARTHUR SMITH

MARITIME FRUIT Carriers won an important victory in the High Court yesterday which should provide valuable breathing space ın the company's fight for survival.

It said it had been granted an injunction restraining the sale by International Marine Banking of Maritime Fruit vessels Lapland and Newcastle Clipper to Spanocean Line and Blue Star Line.

The court decision is important for Maritime ın that it could delay other creditor banks selling the remainder of its financially troubled fleet.

Maritime said the injunction will remain in force until next Tuesday, when there would be an opportunityl for International Marine Banking and the two purchasers of the vessels to oppose continuance of the order until the trial of Maritime's action to invalidate the sales.

Arrests by creditors have stripped Maritime of control of most of its fleet of 37 ships. The main hope for the Israeli-American shipping group now lies in negotiations with Sea Containers Inc., a U.S. container and ship leasing company with substantial British interests.

Conditional agreement has been reached to transfer ownership of 23 Maritime ships to a Bermuda company, which would be controlled jointly by Sea Containers and a major shipping company whose identity has not yet been disclosed.

However, this arrangement is conditional upon the unanimous agreement of Maritime's creditors to restructure the company's debt on a 10-year repayment schedule.

Time is short for securing the agreement on this of the more than 50 banks involved.

Borthwick's £12m. offer brings week's total to £32m.

BY TERRY GARRETT

THE £12m. offer for sale on Monday by Thomas Borthwick and Sons, the meat trader, brings the total of new issue money raised since the beginning of this week to £32m.

Hambro Life, the unit linked life assurance group, and Molins, a tobacco machinery manufacturer, have both published prospectuses this week raising £10m. apiece.

The market had not digested a substantial new issue since J. Sainsbury's £14½m. offer three years ago and two recent small issues—Wilson Walton and William Leech—raising less than £4m. between them had both failed.

As the market had been untested by a big issue for so long there was concern over the fate of this batch of newcomers to the market. However, the success of Hambro Life, whose offer closed on Thursday with applications for 6m. shares—43 per cent. over-subscribed—is good news for Molins and Borthwick, whose application lists both open next Thursday.

Borthwick is offering 15m. Ordinary 50p shares at 80p each, valuing the whole group at some £28m. Of these, 12¾m. are New shares, to raise £9.45m., while the remainder are being sold by certain existing shareholders in the group.

Thomas Borthwick founded the company as a meat and livestock trading business in Liverpool in 1860. Later the company expanded into the shipment of frozen meat from New Zealand and Australia to Britain, eventually establishing meat processing works in these countries. Borthwick now operates selling and marketing divisions in about 40 countries.

Share stakes

Borthwick has a 58.5 per cent. stake in the U.K.-quoted Freshbake Foods, which manufactures uncooked frozen convenience foods such as meat pies. It acquired this in 1973, but has now declared its intention to reduce its holding to 51 per cent.

Borthwick also has a 36 per cent. stake in Stanbroke, one of Australia's largest livestock companies, and a 19.7 per cent. holding in the New Zealand-quoted Canterbury Frozen Meat—one of the largest meat processors in that country.

Borthwick's business is based on the trader's ability to judge meat prices months in advance so the company's record has been volatile. In 1971 it made a £900,000 pre-tax loss, but two years of recovery culminated in a profit of £9.5m. in 1973. The next year it slid to a £13.9m. loss and since then the directors have attempted to offset the group's cyclical nature, achieving a profit of £4.68m. in 1975.

The first six months of this year produced a profit of £4m. and the forecast for the full year is £7.25m. Including a nominal benefit from the issue proceeds, pre-tax profits would be £8.19m. On the offer price of 80p this would indicate a p/e of 7.12, while the gross yield is 10.58 per cent. on a 5.5p net dividend.

U.K. ahead of U.S. drug advice

BY DAVID BELL IN WASHINGTON AND DAVID FISHLOCK IN LONDON

U.S. GOVERNMENT warnings to doctors to try to avoid prescribing such tranquillisers as Librum and Valium to mothers during the first three months of pregnancy are already being observed by British doctors, according to the Commitee on Safety of Medicines.

The U.S. Food and Drug Administration has warned doctors that they should "almost never" prescribe the country's most popular range of tranquillisers in the first three months of pregnancy.

Three recent studies have shown an association between transquillisers and malformations in babies—particularly cleft lips.

The Food and Drug Administration said that the drugs included Librium and Valium, made by Hoffman La Roche and known as Benzodiazepines and also Equanil and Miltown. The two most popular brands of meprobamates.

Hoffman La Roche in New Jersey said that the company was convinced both drugs were safe and that the agency's action was "based on a clear distortion of the facts."

But a statement from the company's headquarters in Basle, Switzerland, said that the agency was acting "largely in accord with the recommendations made by Roche for the use of its preparations." In particular, it said, a warning had been included in all medical information and in package inserts to the effect that in early pregnancy the use of drugs of any kind, tranquilisers included, should be avoided "except when absolutely necessary."

In London, the company said that the Valium data sheet at present states that results obtained in trials "indicate no danger of teratogenic effects."

Mr. Alexander Schmidt, Commissioner for the Food and Drug Administration, has said that the studies "do not demonstrate conclusively that the drugs can cause birth defects" if taken during the first third of pregnancy. "But the use of these tranquillisers during the pregnancy is rarely a matter of urgency and their use during this time should almost always be avoided," he said.

The agency's new warning will also advise doctors to suggest to women that they come off the tranquillisers before the time when they hope they will conceive.

The agency said yesterday that it began to be concerned about a possible link between the tranquillisers and certain birth defects when a study of 378 babies in Atlanta last August showed that the use of Valium was four times as high by women who gave birth to infants with cleft lips, with or without cleft palates—as in women whose children had other congenital defects.

But the two doctors who carried out the survey added that even if Valium might cause a cleft lip the risk was less than 0.5 per cent.—"quite low in light of the incidence of major defects nationwide."

Economic Diary

MEETING of TUC-Labour Party liaison committee on Monday.

SUNDAY—National Savings monthly progress report (June).

MONDAY—House of Commons debates remaining stages of Dock Work Regulation Bill. EEC Economic and Finance Ministers meet in Brussels. British Airports Authority annual report.

TUESDAY — Commons begins three-day debate on remaining stages of Aircraft and Shipbuilding Industries Bill. EEC Foreign Ministers meet in Brussels. British Gas annual report. New construction orders (May). Housing starts, completions and grants (June, prov.).

WEDNESDAY—Mr. Denis Healey, Chancellor of the Exchequer, at Association of County Councils annual meeting, County Hall, London. TUC general council meets. Full meeting of the Labour Party national executive. Post Office annual report. British Steel Corporation annual report.

THURSDAY—Electricity Council and Central Electricity Generating Board annual report. Energy Trends publication. Bricks and cement production (June). Department of Employment Gazette will include unemployment (June, final); employment in production industries (May); overtime and short-time working in manufacturing industries (May); and stoppages of work due to industrial disputes (June). Mr. John Methven, director general, Confederation of British Industry, speaks at East Midlands Regional Council meeting and lunch, Nottingham.

FRIDAY—CBI economic situation committee meets.

UK Industry Abroad

by Tom Houston and Professor J.H.Dunning

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COMPANY NEWS + COMMENT

Midland & Lloyds well ahead at halftime

THE SEASON of interim bank profits has opened with two of the big four, Midland and Lloyds, reporting sharp increases for the first half of 1976.

From the Midland comes an advance of just over 60 per cent. *to £66.57m. in the group pre-tax* balance, while Lloyds has turned in an increase of 36 per cent. to £64.6m. For the whole of 1975 the totals were £82.39m. and £95.5m. respectively.

Midland's earnings per £1 share are up from 14.7p to 20.9p basic or to 19.4p fully diluted. The increase for Lloyds is from 14.70p to 20.29p basic or from 13.79p to 19.02p fully diluted.

The increased Midland profit results from improved performance throughout the group—the associates' contribution was up from £1.3m. to £10m.—and all units are well placed to play their full part in the economic recovery, the directors state. There are, however, so many uncertainties that they feel it would not be prudent to forecast results for the year of the year.

Of the increase in the Lloyds profit, the directors explain that nearly half is attributable to a positive contribution from associates of £5.56m. as compared with a net loss of £2.19m.

In the U.K., despite lower average interest rates and the continued low utilisation of overdraft and loan facilities, there was an increase in net interest earnings from sterling business. This improvement was mainly attributable to an increase in customers' balances, to the wider margin between deposit rate and base rate, and to employment of the rights issue proceeds.

Operating costs continued to rise substantially although the rate of increase was less severe than that experienced last year, the directors state.

Earnings from the group's international business were "well maintained."

Midland is increasing its interim dividend from 4.2p to 5p net. This is to reduce disparity between payments but does not imply an increase for the year. Lloyds payment goes up from 3.377p to 3.716p on capital increased by the February rights issue—for 1975 the total of the two companies were 11.47802p and 7.3973p respectively. In the case of Lloyds a total of not less than that for 1075 has already been foreshadowed on the higher capital.

MIDLAND

	First half 1976 £000	1975 £000
Trading surplus	70,664	53,965
Depreciation, etc.	7,579	7,245
Trading profit	63,025	46,720
Provision against advances	—	2,500
Invest. income	827	961
Share of associates	10,010	1,299
Loan interest	7,363	5,004
Profit before tax	66,568	41,490
Taxation	38,311	25,214
Net profit	28,257	16,236
Minorities	661	*377
Attributable	27,636	16,533
Dividend	6,624	5,364
Retained	21,032	11,269

* Loss.

	First half 1976 £000	1975 £000
Lloyds Bank Group	59,064	49,564
Share of associates	5,560	*2,187
Profit before tax	64,614	47,377
Taxation	31,242	20,095
Minorities	189	109
Extraordinary items	—	1,721
Attributable	31,063	18,175
Dividends	6,189	4,392
Retained	24,894	13,783

* Loss.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Amal Distilled Products	1.3†	Sept. 17	1.08	1.95	1.38
D. F. Bevans	1.1	—	1	1.1	1
Common Market Tst. int.	23(b)	—	30.5	—	30.5
Elbief	0.61	Oct. 15	0.61	0.96	0.96
Lloyds Bank int.	3.72†	Sept. 3	3.38	—	7.4
London Sumatra	1.21	Sept. 15	1.1	1.21	1.1
Midland Bank int.	5	Oct. 4	4.2	—	11.48
Neepsend	2.09	—	2.09	2.93	2.93
New Throgmorton 1st int.	0.45(a)	Oct. 5	0.45	—	1.54
St. Andrew Tst. int.	1.25	Oct. 1	1.35	—	3.3
Saatchi and Saatchi	1.	Oct. 5	0.9	—	3.37
Scot. Merc. Inv. int.	1	Aug. 12	0.84	—	2.45
Unigate	1.67	Oct. 1	1.55	2.77	2.55
Watsham's	1.95	Oct. 1	1.30	3.25	2.63

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Corrected (b) Net of Jersey tax.

Common Market Trust

For the year to June 30, 1976, taxable income of Common Market Trust rose from £462,119 to £492,245. The interim dividend per share is 23p (30.5p) net of Jersey tax and again there is to be no final.

However, the directors say that a provision has been made in arriving at the net income for a distribution to holders of £36,771 in respect of a possible liability to U.K. income tax on dividends received from U.K. gilt-edged stocks.

The matter is under discussion with the U.K. Inland Revenue and should this tax not become payable a second interim of 2p will be declared.

	1975-76 £	1974-75 £
Income before tax	492,245	462,119
Jersey tax	89,791	92,469
Equalisation payments	18,764	146,280
Minorities	555	—
Available	404,695	516,909

£0.6m. jump to £1.3m. at 'Fags'

INCLUDING dividends and interest received of £147,072 compared with £137,597, taxable profits of Antofagasta (Chili) and Bolivia Railway Company jumped from £0.71m. to £1.29m. in 1975. Turnover for the year rose from £2.87m. to £3.28m.

Earnings per £1 share are shown to have risen from 1.87p to 6.05p. Tax took £0.84m. compared with £0.52m. Last year there was an extraordinary debit of £133,065.

Neepsend slumps in second half

THE ECONOMIC recession, particularly aggravated in the special steels sector by foreign dumping, affected Neepsend in the second half of 1975-76, and profits fell sharply from £993,000 to £467,000. This left the total for the year ended March 31 £837,000 down at £1.25m.

Earnings per 25p share before extraordinary items are lower at 5.26p (8.71p) and after those items they amount to 5.49p (8.19p). The net dividend is unchanged at 2.93125p, with a final of 2.0937p.

The value of home market sales was virtually maintained at £13.6m. but export sales advanced by 43 per cent. to £3.02m., Europe topping the league with a 72 per cent. increase.

Chairman Mr. Stanley Speight says that a strong order book gave Neepsend resistance to the earlier part of the recession but this was eroded by the severe downturn in demand for special steels, in which the foreign dumping was a significant factor.

	1975-76 £000	1974-75 £000
Sales	18,635	15,848
Home	15,611	13,734
Export	3,024	2,114
Group profit	1,398	2,090
Share of associates	178	98
Investment income	35	34
Making	1,610	2,157
Bank interest	362	373
Profit before tax	1,248	1,885
Taxation	533	1,109
Net profit	715	776
Extraord. items*	31	71
Dividends	366	356
Retained	349	307

* Net profit (loss) on realisation of investments and properties.

Although the 1976-77 first half result is unlikely to show any improvement due to the continuing U.K. recession coupled with the dumping problems, Mr. Speight is hopeful that in the second half the company will benefit from the economic upturn being widely forecast.

Meanwhile the group is continuing with its capital investment programme, developing and extending its product range and further expanding its export markets, particularly in Europe.

● comment

Neepsend attributes most of its 1975-76 downturn—profits fell by 34 per cent. pre-tax—to cut-price competition from overseas in the U.K. special steels market. The effects of this apparently worsened in the second half, when the pre-tax downturn accelerated to 55 per cent. and sales dropped by around one-tenth, after a 23 per cent. rise in the first half. This problem has shown no sign of easing in the current year so far and, with the cutting tools side also depressed at the moment, the alloys and castings division is the only one which is holding its own. Export growth could offset this to some extent—exports rose by 43 per cent. last year to more than one-fifth of sales—but the group will still be hard pushed to do any better than maintain the 1975-76 pre-tax level in the current year. The yield of 11.6 per cent. at 41p is covered 1.8 times, before extraordinary items.

Elbief falls to £280,675

PROFITS of Elbief fell from £357,300 to £280,675 in the year ended April 30, 1976, following a first half decline from £162,000 to £137,000. The directors point out that year was fraught with the same economic problems as the previous year, with very little sign of abatement in the effects of inflation.

Earnings per 5p share, before charging certain convenanted donations, are 1.8p against 1.737p. The dividend is unchanged at 0.955p net, with a final of 0.605p.

Turnover was marginally higher at £1.78m. (£1.7m.). Tax requires £125,000 (£145,000), dividends absorb £45,925 (£81,100) after waivers, leaving £109,750 (£131,000) retained in the business.

The group makes ladies' handbag frames.

● comment

Elbief is 21 per cent. lower pre-tax. Demand in the U.K. has dropped in the face of a slump in spending on luxuries. Exports, however, seem to be holding up well and were responsible for the 4 per cent. increase in turnover. Helped by the depreciation of sterling, the rise in overseas sales should continue into the current year and provide some cushion to a depressed home market. However, Elbief is unlikely to see much, if any, overall improvement in profitability this year. Meanwhile, its cash position remains strong, probably around the £0.85m. level of 1974-75: interest received accounts for a third of profits. At 11p, the p/e is 8 and the yield 14.1 per cent., covered 1.4 times.

Unigate soars to £21.6m.

SECOND-HALF profits of Unigate, the Farmers Wife milk and food group, expanded from £10m. to £12.6m., lifting the total for the year ended March 27, 1976 from £17.8m. to a record £21.6m.

The profit was achieved despite lower retrospective margin awards of £1.8m. compared with £3.2m., and was struck after interest charges down from £7m. to £5.5m. Turnover showed an increase from £587m. to £762.6m.

Earnings per share are up from 5.12p to 6.01p. The dividend is raised by the maximum permitted—from 2.55p to 2.7718p net, with a final of 1.6718p.

	1975-76 £m.	1974-75 £m.
Turnover	762.6	587.6
Trading profit	25.1	21.3
Margin awards	1.8	3.2
Associates	0.2	0.3
Making	27.1	24.8
Net interest	5.5	7.0
Pre-tax profit	21.6	17.8
Taxation	9.3	8.7
Net profit	12.3	9.1
Minorities	0.3	0.5
Net balance	12.0	8.6
Extra-ordinary debits	0.4	0.6
Preference dividend	0.1	0.1
Attributable Ordinary	11.5	7.9

See Lex

Freddie Mansfield
Sir James Barker, chairman of Unigate.

Textured Jersey recovery

MAKERS of knitted jersey fabric, Textured Jersey, reports a turnround from a £45,000 loss to profits of £90,000 for the year ended April 30, 1976. At midway the group recovered from losses of £64,000 to a £31,000 profit.

In view of accumulated tax losses, no Corporation tax will be payable this year. The loss in 1974-75 was struck before a £80,000 profit on the sale of properties.

The dividends on the Preference shares have been paid but again no Ordinary is being recommended—the last payments were made in 1972-73.

However, in view of the increased level of sales and an encouraging order book and providing the trading performance in the months ahead is in line with that achieved in the first two months of the current year, it is intended to pay a dividend in 1976-77.

	Year 1975-76 £000	1974-75 £000
Turnover	6,241	3,641
Operating profit	418	263
Depreciation	221	205
Interest payable	99	123
Profit	98	*43
Properties sale	—	80
Taxation	54	1
Preference divs.	32	40

* Loss.

● comment

Textured Jersey's return to trading profits after two years of losses confirms that the group is one of the survivors of the recent double knit jersey depression. Over the past three years the group has concentrated on appealing to customers outside the clothing sector by widening its range of products to include household fabrics. The recovery road still looks a long one, however. Although U.K. demand is apparently improving steadily the group is hoping to enter the EEC markets, but this will require a sizeable capital investment programme and looks a long term prospect. At 18p the group is capitalised at £0.54m.

Saatchi well up at mid-way

PROFIT BEFORE tax of advertising agency, Saatchi and Saatchi Compton for the six months ended March 31, 1976 was £460,690, including seven months profit for the old Saatchi and Saatchi (as that company's year started on September 1, 1975).

However, as September is traditionally a low profit month chairman Mr. K. Gill thinks that the figure is a fair representation of the group profit at the half way stage.

This means that profits earned in six months are in excess of the profits of the Compton Partners for the whole of last year, and represents a healthy increase in earnings per 10p share from 4.0p to 5.9p.

Mr. Gill, confidently forecasts that the full year's results will certainly exceed the combined profits of the two companies for last year.

With this in mind, the directors have declared an interim dividend of 1p net compared with a 0.9p, and it is their intention to increase the total dividend for the year by the maximum permitted. Last year's total was 3.37p.

The merger of the two main operating companies (into Saatchi and Saatchi Garland-Compton) has created an agency which has already attracted £3m. of new business since January 1. Much of this has come from existing major clients like British Leyland, Schweppes, Bristol Myers, Rowntree Mackintosh, the Rank Organisation and United Biscuits.

● comment

The acquisition of Saatchi and Saatchi has done wonders for the earnings per share of Compton Partners. The profit level of the new company, Saatchi and Saatchi Compton is only 14 per cent. higher than that of the two companies combined in 1975 but the earnings per share are up by 47 per cent. to 5.9 at the half way stage. The reason is that Compton issued new shares representing 57 per cent. of its share capital to buy a company making profits that were 78 per cent. of its own. The benefit of the merger should come through more in the second half, which will also benefit from the strong recovery in advertising generally. Earnings could approach 13p per share for the full year, giving the shares, at 60p, shares, at 60p, a prospective p/e of 4.5. They do not seem expensive even after the 90 per cent. rise since the merger.

Good start for Pegler Hattersley

A good start has been made to the current year of Pegler-Hattersley, and the first half was expected to be up on the corresponding period of the previous year, chairman Mr. J. M. Harrison told the annual meeting:

Any substantial increase in business activity as far as the U.K. companies were concerned depended on the rate of improvement in the economic situation in this country. Up to date any such improvement had not affected the group significantly.

Reports from associated companies both at home and overseas are encouraging and Mr. Harrison anticipated that they would have a good year.

London Sumatra uplift

INDONESIAN operations gave £0.34m. more in 1975 and helped lift pre-tax profits of London Sumatra Plantations from £0.55m. to £0.95m.

The dividend is stepped up from 1.1p to 1.21p net on earnings ahead from 1.71p to 3.01p per 10p share. The cost of the dividend is £192,774 (£175,249).

After tax of £429,395 against £229,979 the net profit emerges at £520,240 compared with £302,989.

	1975 £	1974 £
Turnover	11,391,811	11,[illegible]
Indonesian operations	395,428	250,981
Malaysian	178,666	149,071
Investment income	173,521	141,906
Pre-tax profit	949,535	532,968
Taxation	429,395	229,979
Profit after tax	520,240	302,989
Rubber areas cut out	49,513	30,829
Available	569,073	343,858
Dividend	192,774	175,249
Transitional tax relief	1,794	1,708
To reserve	300,000	150,000
Carried forward	64,661	73,347

Receiver for Lesbrook

A Receiver has been brought in at Lesbrook, the engineering company which only on Thursday requested the suspension of its share price.

Lesbrook is headed by Mr. Stephen Rowlinson who is also chairman of TCK Group, which has a 29.9 per cent. holding in the company.

At the annual meeting of TCK yesterday, Mr. Rowlinson said that "the cost of the group investment in this company was less than £10,000 and after discussion with the Receiver, I am satisfied that there will be no further implications for TCK."

Mr. Rowlinson added that he was "assured that production of the Bickerton Bicycle made for TCK by Lesbrook will be secured and supplies will not therefore be affected."

It is understood that the Receiver, Mr. W. H. Rollason, has agreed to provide funds for the factory producing bicycles and lighting while he concentrates on realising, for the group banker Lloyds, the main pressings factory building whose business was sold last week to Electronic Machine Company.

Results due next week

The season of interim results from the major clearing banks continues next week with National Westminster Bank reporting on Tuesday and Barclays Bank on Thursday. Interims are also expected from Taylor Woodrow on Tuesday and Hoover on Friday, while first quarter results from Reed International are due on Thursday. Preliminary results from the Swan Hunter Group and Inchcape are also due on Thursday.

The interim results of Lloyds Bank and Midland Bank, announced yesterday, were above most brokers' forecasts and Barclays Bank and National Westminster Bank should certainly be announcing strong profit recoveries next week. Both had to make big additional loan loss provisions last year (£18m. for Natwest and £10m. for Barclays) *which should be reduced or eliminated this time.* Barclays, whose interims are due on Thursday, should also benefit from the improved results of its international wing—pre-tax profits were up £10m., even without including the exchange rate adjustment credit of £13m. At NatWest, whose interims are due on Tuesday, the turnround in its hire purchase subsidiary, Lombard North Central, will increase profits by £8m.—an improvement largely due to the reduction in bad debt provisions. The market is still nervous of possible rights issues from either of these two banks, particularly from NatWest.

The recovery trend evident in Reed International's fourth 1975-76 quarter is expected to continue through the current year. This will be reflected in the first quarter results, due on Thursday. The main factors behind this expectation are the pick up in volume in the U.K. paper and board production, loss elimination in Canada and the U.S. and a profit recovery in Australia. So a full year pre-tax figure of around £60m. against £37.4m. is looked for.

Though steady improvement is expected at Hoover following the steep 56 per cent. pre-tax drop to £2.34m. in the first quarter, full year profits are unlikely to match the £19.2m. produced in 1975. It is still suffering from the effects of depressed demand; the halving of VAT in the April Budget is unlikely to have too much effect on second quarter profits which are not expected to come anywhere near the corresponding period's £6.41m. So, interim profits, due on Friday, will still show quite a steep drop on the £11.72m. reported last time.

After the 38 per cent. pre-tax jump to £14.77m. in 1975, further growth is envisaged at Taylor Woodrow in the current year. Interim results, due on Tuesday, will reflect this trend. The overseas operations, particularly in the Middle East, are still buoyant. Nigeria and Australia, after a turnround last year, should continue their favourable profitability trend. Canada, too, should be making further headway. Meanwhile, in the U.K., with the construction industry having reached its nadir, there may be a modest rise in profits.

With so many imponderables likely to affect Swan Hunter's 1975 performance, what sort of full year results, due on Thursday, it will produce is anyone's guess. In its interim announcement, which gave no profit figures, the company did say that, including the shipbuilding grants of £3m., it expected to be in profit last year. But since then the problems at Maritime Fruit Carriers, which has a number of tankers on order with Swan Hunter, have multiplied. Furthermore, there may be provisions relating to under-recovery of overheads in the face of the world-wide slump in shipbuilding. In the previous year, pre-tax profits were £12.43m., excluding the grants.

Major profits growth at Inchcape is not expected until 1976-77 and the preliminary results due on Thursday should show only moderate improvement on the previous year's level. Indeed the major contribution to increased profits could come from loss elimination in Australia and North America—this could amount to as much as £2m. pre-tax. Last year's pre-tax profit was £28m.

Among other results due next week are interims from Hall-Thermotank on Monday, Hongkong and Shanghai Banking Corporation and Grindlays Holdings on Tuesday, Gillett Brothers Discount on Wednesday and Allied Textile on Thursday. Preliminary results are expected from Magnet Southerns and Fitch Lovell on Thursday and Fairey on Tuesday, while De La Rue is announcing first quarter figures on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int	Last year Final	This year Int.
FINAL DIVIDENDS				
A.A.H.	Monday	3.967	4.32	4.355
Anston Holdings	Thursday	0.5	1.5	0.75
Astra Securities	Thursday	0.268	0.66	0.325
Brady Industries	Wednesday	1.75(b)	3.43	1.75
Cawoods Holdings	Monday	1.484	4.137	1.583
William Cook and Sons (Sheffield)	Monday	0.6	0.6	0.66
Crossfriars Trust	Wednesday	—	2.4	0.75
Customagic Manufacturing	Tuesday	0.25	0.35	0.45
Dwek Group	Wednesday	0.335	Nil	Nil
J. and J. Dyson	Friday	1.256	1.675	1.256
Fairey	Tuesday	1.0	1.595	1.1
Fitch Lovell	Thursday	1.072	1.035	1.04
Gnome Photographic Products	Tuesday	—	2.275	—
Graig Shipping	Monday	6.0	7.97	5.0
Hall and Earl	Monday	—	0.493	—
Hollis Bros. and E.S.A.	Wednesday	0.879	2.491	0.939
Inchcape	Thursday	3.35	3.561	3.9
J. Jarvis and Sons	Thursday	3.3	3.843	3.5
Kwikform	Monday	1.4	2.68	1.4
LRC International	Wednesday	0.95	1.15	1.05
Macarthys Pharmaceuticals	Thursday	1.25(b)	1.55	1.0
Magnet and Southerns	Thursday	—	—	—‡
Midland Trust	Thursday	1.07	1.611	1.105
Mining Supplies	Friday	Nil	0.667	Nil
Nova (Jersey) Knit	Friday	Nil	Nil	Nil
Provincial Laundries	Wednesday	0.15	0.15	0.16
R.F.D. Group	Friday	0.3	0.379	0.35
Routledge and Kegan Paul	Thursday	1.0	2.1	1.0
Somportex Holdings	Friday	—	2.739	—
Sound Diffusion	Tuesday	—	0.4352	—
Steinberg Group	Friday	0.32	0.337	0.32
Stirling Knitting Group	Monday	0.35	0.55	0.35
Swan Hunter Group	Thursday	2.77	2.667	3.0

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
INTERIM DIVIDENDS				
Albion	Wednesday	0.808	1.28	
Allied Textile Companies	Thursday	2.056	3.323	
Amalgamated Metal Corporation	Thursday	4.0	8.87	
Associated Sprayers	Wednesday	Nil	Nil	
Barclays Bank	Thursday	4.3	4.693	
Blackman and Conrad	Wednesday	0.313	0.4756	
Gillett Brothers Discount	Wednesday	4.875	8.125	
Grindlays Holdings	Tuesday	Nil	Nil	
Hall-Thermotank	Monday	1.056	1.79	
Hoover	Friday	3.54	6.57	
Hongkong and Shanghai Banking Corpn.	Tuesday	0.143	0.382¶	
Kingside Investment	Thursday	0.35	1.4(c)	
Ladies Pride Outerwear	Thursday	0.75	1.517	
Manchester Garages	Thursday	0.2	0.3	
National Westminster Bank	Tuesday	4.269	4.233	
Plastic Constructions	Wednesday	1.0	2.28	
Prestige Group	Thursday	1.4	3.149	
Pride and Clarke	Thursday	3.0	7.0	
Taylor Woodrow	Tuesday	1.313	3.729	
INTERIM FIGURES ONLY				
De La Rue	Wednesday (a)			
Greenfriar Investment	Wednesday			
Y. J. Lovell (Holdings)	Tuesday			
Reed International	Thursday (a)			

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † Forecast 2.871p dividend in December, 1975 prospectus—special interims already paid. ‡ For six months. § On 5p shares. ¶ In Hongkong dollars. (a) First-quarter figures. (b) Includes second interim. (c) Second interim.

Improving trend shown by ADP

COMPARED WITH a depressed first half when profits of only £51,514 were achieved, Amalgamated Distilled Products recovered to £165,686 in the second six months, bringing the total for the year ended March 31, 1976, up to £217,200, compared with £348,214 for the previous year. Turnover was virtually static at £8.64m. compared with £8.65m.

The dividend is stepped up from 1.381p to 1.95p net, with a final of 1.3p on capital doubled by the rights issue last October.

On prospects, chairman Mr. E. Goodman says the Scotch whisky activities still have areas that cause concern but with a general improvement in the world economy he anticipates a substantial recovery for whisky towards the end of 1976. The outlook for the beer and duty-free operations is most encouraging and should provide a healthy growth in profitability.

During the early part of 1976 the group established its own sales and marketing organisation under the name ADP Liquor Imports, in Chicago, to expand the sales of various group products into the vast U.S. market.

	1975-76 £	1974-75 £
Turnover	8,639,740	8,651,297
Trading profit*	295,424	425,796
Quoted invest. income	1,434	987
Unquoted invest. inc.	3,826	3,826
Profit	300,684	430,609
Loan interest	83,484	82,375
Profit before tax	217,200	348,214
Current tax credit	—	4,342
Deferred tax	116,040	192,247
Net profit	101,160	160,309
Extraord. debits	67,797	—
Dividends	127,491	45,176
From reserves	94,128	†115,133

* After depreciation of £106,637 (£91,790), long-term loan interest of £24,508 (£23,275) and other bank and loan interest of £228,277 (£221,339). † To reserves.

The directors are confident that solid progress will be made in the U.S. through this new operation, but they will continue their policy of investigating all possible acquisitions to enhance the group's trading performance in North America and elsewhere.

Extraordinary items relate to costs incurred at Grangemouth during the installation of new bottling and chilling equipment, net losses to reserves on the disposal of Southard and Co., and costs in connection with the proposed purchase of a U.S. bottling and warehouse company. Talks on the acquisition are continuing pending a reorganisation of that company.

Total deferred tax provisions arising from accelerated capital allowances and special stock relief now amount to £623,000. In the directors' opinion this tax will not become payable in the foreseeable future due to the policy of continued and capital investment.

● comment

After an interim pre-tax fall of 67 per cent., Amalgamated Distilled Products saw good improvement in the second half to hold the full-year downturn to 38 per cent. The ability to push through price increases on beer in the second half and a buoyant pre-Christmas trade were behind the improvement. Whisky exports in the current year are still flat, though ADP is looking to the U.S. for some recovery.

However, the hot weather has given beer sales a big boost, and the company is looking to the beer and duty-free operations to provide the impetus for a recovery this year. At 20p, the p/e is 9.8 and the yield 16.1 per cent., covered 0.98 times.

Watsham's advance to £0.4m.

FROM SHARPLY increased turnover of £4.15m. against £2.72m., pre-tax profits of Watsham's have nearly doubled from £204,283 to £404,025 for the year ended March 31, 1976.

First half profits had risen from £84,500 to £157,500 and the directors said then that current and future trading prospects enabled them to look to the future with confidence.

Earnings per 25p share are 8.2p (6p). The net final dividend is 1.95p making a total of 3.25p and Treasury permission has been received to exceed the statutory limitation. The previous total was 2.625p.

The group makes and supplies electrical and radio towers, industrial, optical pharmaceutical and medical products.

	1975-76 £	1974-75 £
Turnover	4,152,742	2,722,768
Profit before tax	404,025	204,283
Taxation	216,639	96,381
Minorities	13,275	385
Extraord. credit	9,550	—
Available	183,641	107,517
Retained	112,141	55,617

AMP to take stake in Norwich Park

By Kenneth Marston, Mining Editor

IN ORDER to increase Australian participation in the $240m. (£166m.) Norwich Park coal venture in Queensland, Utah Mining Australia and the Australian Mutual Provident Society are to become participants in Central Queensland Coal Associates after a final decision is made to go ahead with the project.

At present it is owned by CQCA which, in turn, is 15 per cent. owned by Japan's Mitsubishi and 85 per cent. by the U.S.-controlled Utah Development Corporation. The Australian public comes into the picture via Utah Mining Australia 10.8 per cent. of UDC

The latest plan is f become a 7.75 per cen in CQCA, putting up $ 2½ years and for Ut Australia to acquire a interest for $50m. The be a doubling of t Australian equity parti CQCA from 9.2 per cen 20 per cent.

UNIT TRUSTS

Merchant Investo Property Bonds

Merchant Investors Assurance is advertising its Merchant Investors Property Bonds this week-end, the minimum investment requirement being £500. The fund is valued at over £10m. and is spread between 30 properties. Major categories includes Offices 19.5 per cent.; Shops/Offices 24.2 per cent.; Shops 18.6 per cent.; Industrial 17.6 per cent.; and liquid assets 18.5 per cent. The bond is linked with a cash withdrawal plan, allowing the investor to draw up to 8 per cent. of his original investment per annum effectively as income. There is no tax liability on the first 5 per cent. drawn off in this way. The fund is advised by Richard Ellis and the charges include a 5 per cent. initial levy plus an annual fee of not more than 1 per cent.

● comment

The career of Merchant Investors Property Bonds was adversely affected in 1974 by the troubles of the life company's parent, United Dominions Trust. But this questionmark over security ought now to have been settled by to-day's announcement that the Nationale Nederlanden is now involved. Merchant Investors emphasises that its holdings are in "prime" property rather than the secondary property sector. But the exact definition of "prime" has always been a matter of debate in the property market.

SCHLESINGER 'NIL YIELD' PIMS

Schlesinger Trust Managers is offering the Schlesinger "Nil Yield" Fund, in association with it sPIMS service this week. The "Nil Yield" fund is basically designed to serve the higher-rate tax payer, in that the aim is to maximise capital gains rather than income. The portfolio is split between gilts, overseas growth stocks and U.K. equities with low yields. The minimum investment in the fund is £500, but, combined with the PIMS service (which gives the unitholder a greater degree of personal involvement) the minimum is £2,500. A withdrawal facility is available.

● comment

The Schlesinger "Nil Yield" Fund is on the right lines in stressing the advantages of capital gains as compared to income for the higher-rate taxpayer. Often the pre-tax income required to secure a modest net return is astonishing at the higher rates and not enough tends to be made of this point. In fact one wonders how many of the people currently going for "high income" trusts realise how the apparent yields will be cut down to size if they fall into the upper tax brackets.

JASCOT PREF.

For people with at least £300 to invest the Jascot Preference Share Fund offers an estimated current gross yield of 13.2 per cent. The fund is invested in over 150 individual holdings and comprises 80 per cent. industrials, 14 per cent. investment trusts, and 6 per cent. waterboards. Charges include an initial 5 per cent. plus an annual levy of ½ per cent. The managers Arbuthnot Securities are a subsidiary of the merchant bank Arbuthnot Latham.

● comment

The Jascot Preference Share Fund offers an extremely high yield in return for giving up opportunities for capital growth. This is fair enough for some people, and indeed preference share funds have enjoyed a recurring popularity over the past decade.

PROVINCIAL LIFE'S NEW BOND

is introducing a new investment bond together with a Children's Investment Bond adaptation.

The Provincial Life Investment Bond is a single premium Unit Linked Life Policy offe per cent. investment Prolific Unit Trust, Prol Income Unit Trust or Provincial Managed Alternatively, a combina be chosen.

The Children's Investm is an adaptation of th ment Bond and is an ent way to overcome the p lems associated with inv behalf of a child. Throu cess of involving a paren adult as the contracting behalf of the child, benefits are gained. The has sought Counsel's o the subject and has firmation, that under pr any tax liability on cash calculated with referenc child's income. Since th is invariably negligible majority of cases no ta will arise.

LAWSON HIG YIELD FUND

The Lawson High Yi offers an attractive yie per cent. gross for pe are prepared to invest the income is paid quar portfolio is split betw yielding Ordinary share ment trust income sh preference shares in ensure the maximum return. Charges are on of 5 per cent. initially p cent. per annum.

● comment

With 12¼ per cent. to an estimated gross yiel High Yield should sat people. It is rather less offered by the Jascot P Fund, but the alternati is the chance of capit from the high-yielding the portfolio. However, portfolio also contains a of preference shares in jack up the yield, so points of similarity.

NEW PROPE TRUST

Morgan Grenfell has new exempt property t Industrial and C Property Unit Trust. order to enable tax exe to invest in prime indu commercial properties

The trust will be con a committee the majorit are elected by the uni The trustee is the Roya Scotland London Trustee and the property manag be carried out by Morga Property Services.

M. & G. HIG INCOME FUN

This week M & G units of the M & G Hi Fund with a minimum requirement of £250 o sum (£1,000 for a specia or £10 monthly for t saver who wishes to life assurance plan. T relatively "new" in th result of a merger of Income and Clyde Ger tively small at aroun offers a current estim yield of 10.0 per cent. to provide a high and g come about 75 per ce than the return from general. The initial ch per cent. is coupled annual ½ per cent.

● comment

The M & G High Inc offers the lowest yield o income funds on offer but possibly the great of capital growth. It c what people want. But perience of income fu they do just as well shares on the capit though depending, of whether they are i Ordinary shares.

Morgan Ed falls to £95,353

Group trading profit Edwards, food distri sharply from £301,267 in the 53 weeks end 1976, after being c £136,316 to £56,728 in months.

Chairman Mr. E. says that continuing l cash and carry div resulted in a decision the commitment in thi group was unable to losses in the Gee Be Stores before the ye subsequently the diffic have been largely ove

Group liquidity co improve and because o two factors the Board recommend payment dend as forecast.

The profit was str terminal losses and tax per share are stated at The dividend is raised to 3.23p net, with a fir

	197
Group turnover	25,27
Trading profit	9
Terminal losses	1
U.K. tax	4
Net profit	3
Dividends	7

HANSON TRU

Hanson Trust, the holding company head James Hanson, has let i that it may eventually quotation after its rec sion through a series American acquisitions Board spokesman in L yesterday that such not in any way immin

مكتبة الاصل

UMMARY OF THE WEEK'S COMPANY NEWS

e-over bids and mergers

he recent upsurge in activity on the bids and mergers front till in evidence last week. A speculative advance of 11 in the shares of Royal Sovereign, a holding company with sts spanning stationery, office requisites, hooks, toys and ics, precipitated an announcement from the company on ay evening that bid talks were in progress with the ison Robinson group. On Tuesday DR produced terms for ike-over of RS which carry the latter Board's approval. is an all-share offer of four DR shares for every five of aluing each RS share at 83p and the whole equity 3m.) which has been underwritten to give a cash alterna- quivalent to 78.4p for each RS share. Irrevocable under- s to accept have been given by the RS directors and family interests holding some 34 per cent. of the RS . On the week, the RS share price has practically d to 78p. The buying activity in RS shares which pre- news of the bid talks has led the Stock Exchange to hold quiry into the share dealings.

uilding contractors George Wimpey yesterday came forth a recommended 35p per share cash offer for Wingate ments, the property developers and investors. This values hole of Wingate at £5¼m. Undertakings to accept or pro- cceptances have been given in respect of 40.5 per cent. of ingate issued Ordinary shares.

e previous week's approach by Tanganyika Concessions to Industrial has now led to agreement on a 205p per share id from TC for the 53.3 per cent. of the Elbar equity not y held. The offer, which is to be put into effect by a e of Arrangement, capitalises Elbar at £3.8m.

nglo-Indonesian Plantations has launched an offer of two hares for every nine of Central Province Ceylon Tea, worth sent 10p per CPCT share. The terms are recommended CPCT Board apart from one dissident director, Mr. David t, who is the head of Bandanga Holdings, owners of over of the CPCT Ordinary shares. Mr. Pinsent considers the d to be inadequate and claims that holders with over 28 nt. of the CPCT equity between them will not accept.

e investment trust Malit Securities has attracted the on of two suitors. First on the scene was the building and products group Ruberoid with an agreed all-share bid of uberoid for every five of Malit, currently worth 21p per share. The two companies have the same chairman, Mr. Tom Kenny, but he did not participate in the vote of approval. A rival offer soon followed from the unquoted Davis Investments (Jersey), whose terms comprise a share-exchange carrying a cash alternative of 22p for each Malit share.

Hocroft Trust, a Keyser Ullmann subsidiary, is making an unconditional recommended 15p a share cash offer for the outstanding 25 per cent. of Westforth Electrical not presently held.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated						
Abercorn Gen. Invests.	77*d	77	65	0.7*d	Castlemere Props.	—
AD International	116	109	97	18.0	Dentsply Intnl.	—
Artagen Props.	90*d	90	66	33.6*d	Sun Life	—
Assam Cons	20	18½	18½	0.2	Hampton Tst.	—
Beyer Peacock	25*	25½	22	2.0*	Natl. Chemical Industries	—
Bibby & Baron	51	50	47½	2.1	Low & Bonar	—
Caroni	12½*	12	8	5.5*	Caroni (1975)	—
Central Province Ceylon Tea	10	11½	8	0.3	Anglo-Ind. Plants.	—
Cox (H.) (Plant Hire)	32*	31	23	1.3*	Transport Development	—
Cuthbert (R. & G.)	46*	44	25	3.2*	Kema Nord AB	—
E. Sussex Engrg.	30*d	30	22½	1.9*d	Aurora Hldgs.	—
Elbar Industrial	205*d	192	140	2.0*d	Tngnyka. Cns.	—
Eng. Assoc. of Amer. Bond & Shareholders	364*d	360	300	0.4*d	Messrs. Clarke & Cox-Jhnsn., and E. D. & F. Mann	—
FC Construction	70*	81	65	1.8*	Norwest Holst	—
First Finsbury Tst.	35*d	23	10	0.8*d	J. D. Hutchison (U.K.)	—
Forum Props.	47*	46	20	2.8*	Woodhse., Drake & Carey	—
Haighton & Dwhst.	28f	24½	20	1.2	Dent Fownes	6/8
Hall (W. W.)	35*	33	17	1.9*	Geo. Wimpey	—
Hardman (Thos.)	25*d	24	11	[illegible]	Scapa Grp.	—
Irish Cinemas	120*d	115	65	0.3*d	Rank Orgnstn.	—
Isle of Man Ass. Inv.	62½*d	60	60	0.6*d	Douglas Ests.	—
Keith & Hendrsn.	80*d	81	76	3.6*d	Welfare Insr.	4/8
Kennedy (Allan)	37½	33½	33	0.3	Ferguson Indl.	4/8
London Tin	197*d	175	157	34.2*d	Pernas Secs.	—
Malit Secs.	22b	22	20	0.4b	Davis Investa. (Jersey)	—
Malit Secs.	21	22	20	0.4	Ruberoid	—
Martin (Tom)	88½	83	76	13.6	Berisford (S. and W.)	—
Metropole Inds.	50*	30	32	0.4*	Intl. Cmbustn.	9/8
New Bridge Hldgs.	12	17	35	0.4	Harcourt Irish Holdings	—
Odex Racasan	115*	114	70	5.3*	Paterson Zochonis	—
Peacock Susini	55½d	55	47	0.8d	Warren Plnts.	27/7
Pots. Plats.	156	152	188	60.6	Union Platnm.	—
Royal Sovereign	83	78	52	3.6	Dickinson Robinson	—
Second Scottish Inv. Trust	69	69½	85	30.9	Scot. Inv. Tst.	1/11
Shephard (E.)	81*d	77	50	1.5*d	Joplings	—
Spencer, Turner & Boldero	127½	120	73	0.7	Dent Fownes	6/8
U.K. Optical	186½	164	118	25.0	Pilkngtn. Bros.	—
Uttley (Wm.)	13½	14	12	0.6	Wm. Reed	—
Warwick Eng.	26	23	21	1.6	Gidney Ind. Invests.	—
Waterval	153	148	171	56.8	Union Platnm.	—
Westforth Elect.	15*d	14‡	14‡	0.2*d	Hocroft Trust	—
Wingate Invs.	35*	33½g	24	5.2*	Geo. Wimpey	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 23/7/76. k Based on 22/7/76. ‡ At suspension. † Bid.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Berisfords	May 22	370	(272)	0.64	(0.6)
Braid Group	Mar. 31	235	(215)	0.393	(0.358)
Brit.-Am. Tobacco	Mar. 31	174,000	(132,000)	—	(—)
Bullough	Apr. 30	832	(617)	2.143	(1.687)
Coral Leisure	June 30	4,012	(3,590)	—	(—)
Dewhurst & Prtnr.	Mar. 28	53	(192)	0.230	(0.239)
Lagaavale Estate	Oct. 31	97L	(108)L	—	(—)
MK Refrigeration	May 1	750	(436)	1.339	(1.158)
Patalling Rubber	Apr. 30	1,718	(1,470)	—	(—)
Plessey	June 30	10,255¶	(10,184)	—	(—)
F. Pratt Engnrg.	Apr. 30	412	(630)	1.456	(1.306)
Rank Organisation	May 15	32,779†	(28,060)	2.188	(2.138)
Rotaflex (GB)	June 30	515	(285)	4.229	(4.229)
Francis Shaw	June 30	158	(163)	—	(—)
Status Discount	June 12	313†	(95)	0.63	(Nil)
Vosper Thrnycrft.	Apr. 30	2,337	(1,637)	[illegible]	(1.5)
Yule Catto	Apr. 30	377	(343)	0.5	(0.45)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For 28 weeks. ‡ For 18 months. § For 12 months. ¶ For three months. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Arlington Motor	Mar. 31	542	(776)	9.0	(11.5)	6.45	(6.49)
Birmingham Mint	Mar. 31	261	(122)L	6.2	(—)	3.92	(3.566)
Burt Boulton	Mar. 31	1,030L	(361)	—	(17.9)	7.7	(9.86)
Butterfld.-Harvey	Apr. 3	1,776	(1,504)	5.9	(4.8)	1.91	(1.759)
Coghlans	Mar. 31	30	(452)	6.4	(141.8)	11.726	(10.66)
Davy Intnl.	Mar. 31	10,405	(5,952)	19.2	(11.8)	6.193	(5.687)
Dowty Group	Mar. 31	13,136	(9,456)	16.1	(13.2)	5.41	(5.03)
FMC	May 1	918	(4,087)	2.7	(18.2)	2.5	(5.0)
GUS	Mar. 31	98,349	(89,043)	19.3	(17.5)	6.658	(6.135)
HAT Group	Feb. 29	3,002	(2,616)	7.4	(7.1)	1.025	(1.188)
Harold Ingram	Apr. 30	448	(458)	6.1	(7.1)	2.56	(2.36)
JCEG	Mar. 31	98	(176)	3.1	(4.0)	1.488	(1.585)
Jhnsn.-Rchrds. Tls.	Mar. 31	4,083	(2,024)	34.0	(24.8)	5.78	(5.321)
Jones Stroud	Mar. 31	1,714	(2,072)	10.6	(13.9)	3.8	(3.528)
Lindustries	Apr. 3	7,021‡	(4,835)§	17.3	(11.7)	6.0	(3.759)
Lynton Holdings	Mar. 25	3,606	(1,930)	3.5	(2.5)	2.06	(1.9)
H. Miller	Jan. 31	23L	(101)	—	(6.3)	Nil	(2.013)
Montague L. Myr.	Mar. 31	8,182	(7,019)	9.0	(7.1)	3.75	(1.909)
Peterbrgh. Mtrs.	Mar. 31	497	(445)	7.7	(7.2)	2.01	(1.83)
Alfred Preedy	Mar. 27	846	(782)	5.6	(5.3)	1.28	(1.176)
Renwick Group	Apr. 3	389L	(3)	—	(—)	Nil	(1.76)
Rosgill Holdings	May 19	563L	(794)	—	(3.9)	Nil	(2.31)
Rothschild Trust	Mar. 31	3,239	(3,023)	12.5	(13.9)	9.555	(9.505)
Sena Sugar	Dec. 31	588L	(4,865)	—	(22.0)	Nil	(Nil)
Sheffld. Rfrshmnt.	Mar. 31	66	(87)	[illegible]	(14.3)	7.32	(6.66)
Syltone	Mar. 31	362	(408)	6.8	(8.0)	4.2	(4.2)
F. H. Tomkins	May 2	982	(1,116)	2.1	(2.4)	0.78	(0.717)
Western Brd. Mls.	Mar. 31	577	(458)	5.2	(4.3)	3.0	(2.76)
Wheeler's Rstrnts.	Mar. 31	372	(305)	13.5	(12.5)	4.72	(4.33)

Offers for sale, placings and introductions

Hambro Life Assurance: Offer for sale 4,243,000 Ordinary 25p shares at 235p each.

Molins: Offer for sale 8.6m. Ordinary 25p shares at 120p each.

Renown Incorporated: Offer 8m. shares of Y50 Common stock at $US2.06 per share and London listing.

Scrip Issue

Dowty Group: One-for-two.

DS AND DEALS

'ilkington spells out merger logic

tile now seems in prospect n Pilkington Brothers and ptical. Sir Alaistair Pil- , in a letter contained in mal offer document, argues e logic of combining the ompanies "seems irrefut- But it was on the grounds lack of industrial logic e UKO Board rejected the ton bid (worth 185p at ight's closing prices) last

UKO statement argued that nufacture of glass had little mon with the manufacture es and that the bid would in the interests of consumers, the workforce, the opthalmic optical industry or the UKO management.

However, the Pilkington chairman states that if the two companies are brought together "it will greatly strengthen both companies and the opthalmic industry of this country, without introducing any attendant disadvantages."

In answer to the criticism that he bid is inadequate he states that "in formulating these terms Pilkington is not only recognising the past record but believes that it is fully taking into account the future potential of the UKO Group."

A current levels, the bid represents a premium of over 55 per cent. on the July 12 price of UKO.

The Board of UKO has already stated that it would issue a detailed rejection statement after the Pilkington document had been sent out.

8P CASH OFFER FOR FIRST TALISMAN

Another re-shuffling of shareholdings at First Talisman Investment has resulted in a general offer of 8p a share cash being made for the company by Mr. Edward Du Cann, Mr. David Wickins, chairman of British Car Auction, Mr. Owen Alsher, a director of Marley, and Mr G. Jackson.

Energy Finance and General Trust, which on acquiring FTI in January, placed 75 per cent. of the shares with institutions at 6½p, has sold the bulk of 300,000 block of shares to Messrs. Wickins, Alsher and Jackson.

These gentlemen are acting in concert with Mr. Edward Du Cann, who acquired a 29.5 per cent. stake in FTI, on July 2, from EFGT's original places.

With a combined stake of 43.1 per cent., they are now obliged, under the Take Over Code, to make a general offer, which EFGT is doing on their behalf. However, a current market price of 13½ does not suggest that the bid will, or is intended to succeed. Holders of about 18 per cent. of the shares, including the placees, who originally sold part of their stakes to Mr. Du Cann, have undertaken not to accept.

Whatever happens, the offerors intend to maintain a listing of the FTI shares, and EFGT has reserved the right to place any shares which are the subject of acceptances.

DAVIS HOLDS 16% OF MALIT

By the purchase of a further 190,774 shares at 22p in Malit Securities yesterday, Davis Investments, the unlisted Jersey-based investment company has built up strategic 16.43 per cent. stake in the company. This could prevent Ruberoid, the original bidder, compulsorily acquiring 100 per cent. of Malit.

Ruberoid's financial advisers, Samuel Montagu announced yesterday that they would be sending formal offer documents as soon as possible, on the original terms. They pointed out that the Davis offer is conditional on a listing for Davis' new and existing shares.

The last time that Davis Investments and Gittens and Co., the family trusts of whose senior partner, Mr. Thomas Scrase, controls over 80 per cent. of Davis, were involved in the take-over of a public company, was the abortive bid by BSQ for the now failed Court Hotel (London).

In October, 1975, the Panel on Take-overs and Mergers censured BSQ for allowing the offer to be announced "without having taken all reasonably prudent steps to ensure that the necessary funds would be available."

It also censured Mr. Scrase and Gittens "in their capacity as financial advisors to BSQ, for agreeing to make a cash offer on behalf of BSQ in these circumstances."

Davis Investments had at one stage offered to put up £500,000 for BSQ on condition that Montcalm Hotel was sold by Court and that the accountants provided a satisfactory report. When it became apparent that BSQ could not put up the money, Mr. Scrase withdrew Davis from the deal.

UDT ASSURANCE SUB. SOLD

United Dominions Trust has sold its subsidiary, Merchant Investors Assurance, to Nationale Nederlanden U.K., the subsidiary of Dutch Insurance company Nationale Nederlanden N.V. The consideration for Merchant Investors, which has total assets of approximately £19m., has not been disclosed but is believed to be almost £1m.

Nationale Nederlanden's main business in the U.K. has, up until now, been through the Life Association of Scotland. The acquisition will take the Dutch group, which had assets of £2.76bn. in 1975, into unit-linked life assurance.

See Page 3

Pontin's buys builders

Pontin's has acquired for £500,000 the capital of Ambrose Builders, a Lancashire based company carrying on business as housing developers and contract builders. Consideration is 2.5m. Ordinary shares.

In the house building division some eleven sites are being developed, with unit prices ranging from £7,250 to £30,000 and a further two sites are at detailed planning stage. The contract building division is engaged on contracts for Pontin's and local authorities, having a total value in the region of £1.25m.

Mr. T. J. Hemmings, the founder of Ambrose, has confirmed that the estimated profits for the year ending March 31, 1977 will be £180,000 and that he will also hold his Pontin shares for at least a year.

HAW PAR (LONDON)

At yesterday's extra-ordinary meeting of Haw Par (London) the resolution ratifying and sanctioning the sale by the company of the 6,509,900 Ordinary shares of 20p in London Tin Corporation was passed.

The sale is also subject to certain other conditions being fulfilled on or before August 5. These have all now been satisfied, except that the consent and approval of the Panel on Take-overs and Mergers is conditional upon the High Court sanctioning the Scheme of Arrangement concerning London Tin Corporation on July 26 or adjournment thereof without any significant alteration.

OLIVER RIX

Motor distributors Oliver Rix is selling its 46.6 per cent. holding Midlands group George Whitehouse (Engineering). Mr. Norman Whitehouse, chairman of the company, and members of his family have bought 742,248 of the shares (some 20 per cent. of the whole equity) and the remainder are to be placed. The price at which the transactions have taken place is not disclosed.

Earlier this week it was announced that a 25.34 per cent. stake in Whitehouse had passed into the hands of an unnamed buyer. This arose when the Receiver of Columbus Trust sold that company's holding in Whitehouse. Despite pressure from the Board of Whitehouse, the Receiver would not reveal either the identity of the buyer or the price at which the deal took place. The Receiver stated that he had fulfilled the requirements of company law and was now at liberty to give the information.

BAT INDUSTRIES

The Scheme of Arrangement, involving the merger of British-American Tobacco with Tobacco Securities Trust has been sanctioned by the High Court and become effective. Accordingly TST, as the new parent company of the BAT Group, has been renamed BAT Industries.

Dealings in the new Ordinary and Deferred Ordinary shares of B.A.T. Industries will commence on Monday.

TOM MARTIN

The formal offer for Tom Martin Metals by S. and W. Berisford has been posted. An extraordinary general meeting is proposed to increase the authorised capital of Martin to £4.8m. and to make a two-for-one scrip issue—this will reduce the expenses associated with the Berisford offer.

The chairman of Martin, Mr. Arthur Hubert, reiterates his view that pre-tax profits this year will exceed £2.7m. One of the conditions of this forecast is that the group is not affected by decisions of the Price Commission and it is revealed that Martin is presently talking with the Commission to establish that the merchanting activities of the group are not subject to the Prices Code.

ECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

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Reliant Motor getting into gear

BY KEVIN DONE, INDUSTRIAL STAFF

MANUFACTURERS of three-wheeler cars have been greatly affected by Government moves this week. But, while Reliant Motor can look forward with greater confidence after the lifting of hire purchase restrictions on three-wheeler car sales, prospects are far less rosy for the country's two manufacturers of three-wheeler invalid cars: A.C. Cars and Invacar.

The abolition of hire purchase controls on three-wheelers came on Thursday "in the context of the Government's industrial strategy," and was welcomed by Reliant.

The company suffered badly in the last financial year to March 1, with the motor vehicle division *making a pre-tax loss of £957,000* against a £274,000 pre-tax profit in the previous year. In his annual report, Sir Julian Hodge, Reliant's chairman, stressed that a return to profitable trading for the group depended entirely on stemming losses in the motor company.

Demand

Reliant's position has been aggravated by the need for a product change and the group has had to bear the costs of introducing a new, small, four-wheeled range, the Kitten, as well as re-vamping the existing three-wheeler Robins and the up-market Scimitars.

Mr. Roger Musgrave, Reliant marketing director, said yesterday: "The Government action will mean that pent-up demand for Robin saloons and estates will be satisfied to a greater degree than has been possible and more normal trading in the three-wheeler sector will return."

For some time there have been no hire purchase restrictions on motor-cycle sales, but three-wheeler cars have been included in the group of regulations applying even to the most luxurious car. "The result of this has been a two-wheeler boom — to the benefit largely of foreign firms — while sales of the all-British three-wheeler have been depressed."

More than half of all Robin sales are made through hire-purchase agreements. So far this year, only 17 per cent. of four-wheel cars have been acquired on hire-purchase because so many such vehicles go to companies and other organisations, rather than in private sales.

In the first half of 1975 Reliant sold 6,494 three-wheelers. This year, there was a 21.7 per cent. drop to 5,080. Three-wheeler sales last year were not one of the major reasons for the company's lack of profitability, but they do represent about 60 per cent. of Reliant's unit sales and the company is looking for a big increase after the hire-purchase relaxations.

In the last five years annual sales have fluctuated between nearly 13,000 units in 1972 to a low point of 10,864. Reliant usually counts on taking about 1 per cent. of the U.K. car market.

Traditionally, three-wheeler sales have been linked to the fortunes of the motor-cycle market and tend to dip when motor-cycle sales are performing well. After 18 months, when motor-cycle sales have reached record breaking levels, Reliant is expecting some down-turn in the market in the second half of the year, which can only be of advantage to the three-wheelers.

For the manufacturers of three-wheeler invalid cars the future is less certain. A.C. Cars turned in a pre-tax profit last year of £141,309, but future fortunes are tied closely with the fate of its new mid-engined, high performance sports car, the AC ME3000, which should be available in the autumn.

The company has been producing between 1,200 and 2,000 invalid cars a year. Mr W. D. Hurlock, chairman resents the campaign which has been waged against it. "A lot of nonsense has been spoken about this vehicle," he said yesterday.

'Doomed'

The company probably will have to pay more attention to its general engineering side after the phasing out of the invalid car, on which the Government is spending more than £3m. this year split between AC and Invacar. Government and the companies refuse to disclose the exact numbers ordered at any one time, or the prices of individual vehicles.

In his last annual report Mr. Hurlock wrote: "Unless there is a major change in attitudes towards the creation and retention of profits for investment, Britain's specialist car manufacturers are doomed and the remainder of our car industry will follow leaving only our museums."

Invacar is looking to diversification for its salvation and plans are well advanced. Mr. B. Gilroy, chairman said there was no crisis facing the business. The company has an annual turnover of £1½m. and has 150 employees.

NHS to phase out tricycles, Page 8

OWNING SHARES MAKES A GOOD CONVERSATION PIECE.

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Little change in early trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 23.

THERE WAS little change on Wall Street to-day, despite the "mildly encouraging" U.S. money figures released late yesterday.

At 1 p.m. the Dow Jones Industrial Average was off 0.25 at 990.83, making a loss of 2.38 on the week. The NYSE All Common Index, at $55.59, was up 4 cents on the day but down 35 cents on the week. Advancing issues topped declines by about a five-to-four margin, while the trading volume expanded 280,000 shares to 8.99m. compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

After the Stock Market closed Thursday, the Federal Reserve Board reported the Nation's money supply fell $200m. in the week ended Wednesday following a $2.6bn. surge the previous week.

Investors had been concerned a further rise in the money supply would prompt the FED to pull in the credit reins another notch and force up short-term interest rates.

But there was some disappointment when Citibank held its prime lending rate for top business borrowers at 7¼ per cent. There had been speculation the rate would drop to 7 per cent. because of a general easing in short term rates and lower business loan demand.

Skelly Oil climbed $3½ to $105½. Superior Oil moved ahead $1 to $190.

Getty Oil rose $2½ to $172½ on improved earnings.

Corning Glass were up $1 at $75.

Motors were narrowly mixed, although the industry reported higher mid-July sales of new cars.

Eastman Kodak fell $1¼ to $95½ following some bearish Press comment concerning the outlook for earnings.

Ingersoll-Rand lost another $1 to $36¾ on its lower profits.

Texaco firmed $⅛ to $27½ on higher earnings, while Singer gained $¾ to $24¾—also on improved earnings.

North Central Airlines were up $¼ to $4½.

THE AMERICAN S.E. Market Value Index was up 0.22 at 104.79, reducing its loss on the week to 1.23.

Houston Oil and Minerals edged up $¼ to $37¼, but American Science and Engineering dipped $¾ to $12¾.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Eastman Kodak	310,900	96½	—
Pan. Amer. Air.	264,400	6¾	—
General Electric	192,300	56⅛	−½
General Foods	174,800	30½	+¼
Dow Chemical	173,500	47¼	+¼
Occidental Petrolm.	139,500	18⅝	—
White Motor	126,100	7½	+¼
Florida Pw. Lt.	125,100	24	−¼
Nat. Semiconductor	119,300	43⅜	+1¾
Continental Oil	109,300	37	−¼

OTHER MARKETS

Canada down

All sectors lost slight ground in light trading on Canadian Stock Markets yesterday morning.

The Industrial Share Index shed 0.07 to 187.44, Golds 0.74 to 253.25, Base Metals 0.46 to 92.27, Western Oils 0.77 to 226.63, Utilities 0.13 to 143.07, Banks 0.24 to 237.69 and Papers 1.05 to 118.42.

Imperial Oil firmed $⅛ to $22⅞ on 10,726 shares.

Moore lost $⅛ to $40¼, Canadian Tire "A" $⅛ to $43 and Domtar eased $¼ to $20.

Canron eased $¾ to $21½ on 26,075 shares.

Dome Petroleum rose $¾ to $39¾, Petrofina Canada $¾ to $18¾ and Massey-Ferguson rose $¾ to $28¾.

BRUSSELS—Sharply lower in quiet account day trading.

Gold Mines again depressed, U.K., French and Canadian stocks also fell, but U.S. and Germans held steady.

OSLO—Banks and Industrials were firm, Insurances steady, Tankers very firm.

COPENHAGEN—Higher in active dealings.

GERMANY—Mixed trend.

Most Machine Makers weak. Chemicals marginally lower, as were Motors, Utilities also weak, Stores came back.

Domestic Public Sector Bonds quiet.

VIENNA—Little changed.

MILAN—Mainly easier. Insurances off.

Bonds narrowly mixed in quiet trading.

TOKYO—Higher on sporadic buying. Volume 140m. (130m.) shares.

Export-oriented shares, such as Electricals, Motors and Cameras, firmed. Mitsumi rose Y49 to 874.

Some Foods, Paper-Pulps, Pharmaceuticals, Petrochemicals and Communications were also bought.

HONG KONG—Mixed in slow trading.

JOHANNESBURG—Extremely quiet with featureless trading in Golds. Financial Minings easier. Other Minings quiet but steady.

Industrials slightly easier, Coals mixed.

AUSTRALIA—Generally firmer. Sugars, Constructions and Banks were better. Energy stocks continued actively supported.

Pancontinental rose 40 cents to $A15 and Woodsire-Burmah 2 cents to 95 cents.

Elsewhere, Renison dropped 10 cents to $A6.60.

Indices

NEW YORK—DOW JONES

	July 22	July 21	July 20	July 19	July 16	July 15	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	991.08	988.44	988.29	990.85	995.21	997.49	1,011.21 (12/7)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	88.77	88.80	88.76	88.78	88.77	88.88	86.99 (15/7)	85.68 (13/7)	—	—
Transport	226.66	226.42	225.60	227.58	226.67	225.69	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	90.69	90.76	90.97	90.71	90.55	90.87	91.90 (4/2)	84.8 (28/6)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's ‡	15,880	18,360	18,810	16,200	20,450	20,400	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	July 16	July 9	July 2	Year ago (approx.)
	3.83	3.79	3.80	4.48

STANDARD AND POORS

	July 22	July 21	July 20	July 19	July 16	July 15	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	118.84	116.50	116.67	117.04	117.48	118.12	119.02 (14/7)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/33)
†Composite	105.85	105.82	103.79	104.29	104.88	105.20	105.95 (14/7)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	July 21	July 15	July 8	Year ago (approx)
Ind. div. yield %	3.58	3.50	3.35	3.78
Ind. P/E ratio	12.77	13.05	12.85	11.05
Long Govt. Bond yield	6.88	6.60	6.67	6.72

N.Y.S.E. ALL COMMON

July 22	July 21	July 20	July 19	1976 High	1976 Low
55.55	55.59	55.42	55.75	56.64 (12/7/76)	37.08 (2/1/75)

Rises and Falls	July 22
Issues Traded—1,862	Up—687
Down—696	Same—479
New Highs 81	New Lows 14

MONTREAL	July 22	July 21	July 20	July 19	1976 High	1976 Low
Industrial	—	198.95	198.95	197.76	207.55 (19/5)	176.52 (2/1)
Combined	—	190.84	190.65	191.19	198.76 (20/5)	173.67 (2/1)
TORONTO Industrial	187.51	188.52	188.54	188.79	197.43 (20/5)	175.01 (2/1)
JOHANNESBURG Gold	155.5	173.8	157.9	161.7	229.7 (12/3)	157.5 (20/7)
Industrials	201.8	205.3	201.8	205.8	215.0 (21/5)	195.5 (5/4)

	July 23	Previous	1976 High	1976 Low
Australia (a)	497.01	495.15	497.14 (16/7)	446.32 (5/1)
Belgium (b)	100.83	101.08	113.12 (5/3)	97.65 (7/6)
Denmark (d)	113.52	113.30	113.52 (23/7)	100.30 (10/3)
France (e)	62.3	62.9	74.3 (6/4)	62.3 (23/7)
Germany (f)	754.6	765.2	821.7 (17/3)	755.0 (30.6)
Holland (g)	92.1	92.1	105.3 (6/2)	89.2 (30/6)
Hongkong (h)	403.49	407.33	466.53 (17/3)	354.65 (2/1)
Italy (k)	86.25	86.77	91.37 (25/2)	72.20 (4/6)
Japan (m)	351.61	349.76	357.90 (30/6)	326.28 (5/1)
Singapore (n)	257.51	257.42	295.16 (5/2)	236.36 (2/1)
Spain (p)	86.67	86.72	100.79 (7/6)	85.45 (1/4)
Sweden (q)	463.30	462.28	476.96 (10/6)	395.38 (19/1)
Switz'rl'd (r)	290.7	290.2	299.8 (12/6)	276.3 (4/6)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/61. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

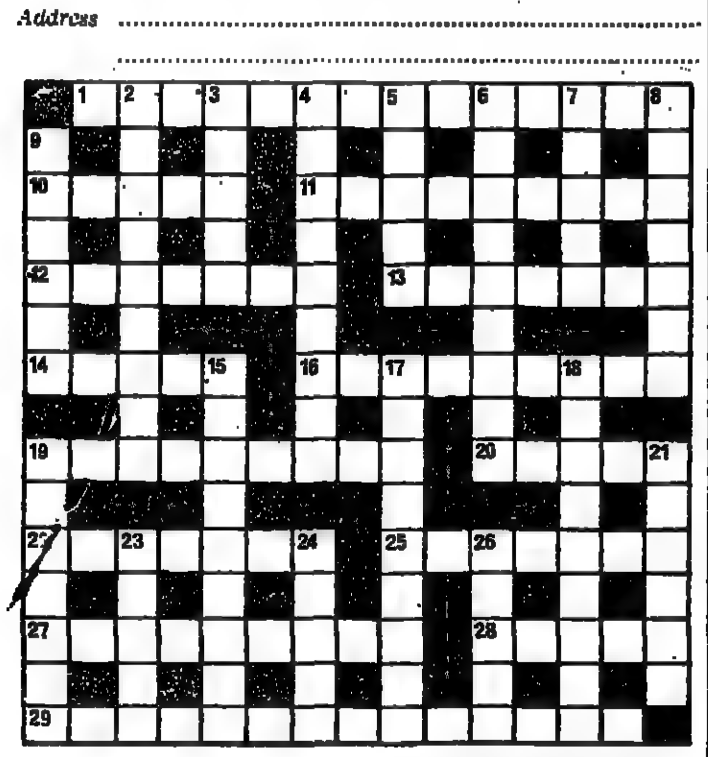
F.T. CROSSWORD PUZZLE No. 3,139

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



ACROSS

1 Mirthless Victorian expression (2, 3, 3, 6)
10 Sum up for City during strike (5)
11 Growing umbrella to notice on seat by bar (9)
12 Smother untruth of a superior kind (7)
13 Resting place for things butted by puffers (7)
14 Advertising campaign producing cramp (5)
16 A French work propounded without a contest (9)
19 RAC's act is unusually taunting (9)
20 Nymph introduces no Scots unit to a daughter (5)
22 Competitive bird with twisted soul (7)
25 Drink poacher takes on brief flight (3-4)
27 Arresting feature of a high wire act (6, 3)
28 An offer male Cockney has to put up with (5)
29 Music that brings the crowd to its feet (8, 6)

DOWN

2 Former tally clerk heard in the Treasury (9)
3 Salesman the Spanish drive back (5)
4 Outcome of fishing (3, 6)
5 It upset academy associate to see headgear (5)
6 Girl with surprised expression writer knocked about (9)
7 Scent's not very good (5)
8 Held up when put into action (7)
9 Doctor ought to go on operations in Wilts (6)
15 Popular song man and wife find refreshing (3, 3, 3)
17 Band offers alternative box to artist (9)
18 Painting in which there's some vitality even today (5, 4)
19 Let it stay my boy as a hat (7)
21 Bird having a swim (6)
23 Not suitable for seizure at Lake Success (5)
24 Present day favourite with children (5)
26 Swindling is hard work (5)

Solution to Puzzle No. 3,138

BANISHED ARTFUL
O E N X O O A
WITHERED PULLIN
M H E C S N L C
AWESTRUCK DRONE
N R T I H W L
CORE DIABOLO
B S N N N T
EVERTON SODA
A D H I A T A
TRACE CHUMPCHOP
I T W K S I R A
FRIGID FACELIFT
I V N G T F H
CLERGY TENANTRY

SOLUTION AND WINNERS OF PUZZLE No. 3,133

WITHOUTPEER COD
A R B I A O H U
GRATE POSTULATE
E V S T E N R N
REELEDOFF DROWN
I S E U S N A
NOTICED LAME
G Y A A P A
SPED SINGLES
S G A I C E F
COLIC SPAGHETTI
O A I C N E H R
RUNTOSEED AROMA
E G U R A D R T
RYE SINGLESTATE

Following are the winners of last Saturday's prize puzzle:

Mr. W. D. Broughton, 4 Broadfields, Harpenden, Herts. AL5 2EZ.

Mr. A. Holman, 37 Melville Road, London SW13.

Mrs. S. Wagner, 22a Elm Road, Manchester M20 0XD.

APPOINTMENTS

Gold Fields group chief executive

Mr. G. J. Mortimer, who has been a managing director of CONSOLIDATED GOLD FIELDS since the beginning of this year, has been appointed group chief executive. He continues to be a deputy chairman.

★

Mr. M. W. Jacomb has been appointed a vice-chairman of KLEINWORT BENSON, merchant bankers and Mr. C. A. A. P. Eugster and Mr. S. M. Robertson have joined the Board.

★

W. A. TYZACK has made the following Board appointments from August 1. Mr. Douglas Barratt as director and company secretary and Mr. G. V. Gomersall as commercial director.

★

Mr. K. H. A. Saunders has been appointed a director of BLAND WELCH UNDERWRITING.

★

Mr. John E. Simpson has been appointed managing director of SANDEM WEB SLINGS COMPANY, a subsidiary of Biggs Wall. Mr. Simpson was previously managing director of Irvin Great Britain.

★

Mr. A. W. Rissbrook, currently Midland area sales director of the DUCTILE STEELS GROUP, is leaving the company at the end of July to join his family engineering business, KNOWLES AND RISSBROOK.

★

Mr. P. A. Aylward has been appointed to the Board of BEWAC MOTOR CORPORATION. He remains managing director of BEWAC Motors Limited, the holding company for the group's U.K. motor distributive activities.

★

Mr. H. L. Dobson has been appointed a director of NORWEST HOLST CONSTRUCTION.

★

Mr. J. F. D. Miller, Mr. W. F. Rishton, Mr. J. C. McK. Hayes, and Mr. B. M. J. Brown (general manager) have been appointed to the Board of TSB UNIT TRUST MANAGERS.

★

Mr. John Peett has been appointed director of contracts for RACAL-TACTICOM.

★

Mr. A. E. Munn has been appointed managing director of ARROW GAMES, a subsidiary of the Milton Bradley Company of America.

★

Mr. Derek M. Baker has been appointed managing director of HOCKLEY HEATH BUILDING SUPPLIES, a subsidiary of Leigh Interests. Mr. D. R. Pearce, has resigned to take up special operational duties with the waste division.

★

Mr. I. G. Rueb has been elected chairman of MERCHANT INVESTORS ASSURANCE COMPANY and Sir Robert Erskine-Hill, Mr. J. A. R. Falconer, Mr. J. W. Walker, Mr. J. M. Souness and Mr. M. A. Forrest have also been elected to the Board. Mr. Rueb is a member of the executive Board of Nationale Nederlanden N.V., which is acquiring Merchant Investors.

Franks to lead feasibility study

LORD FRANKS will head the Parliamentary group which is to examine the feasibility of a register of immigrants' dependants, Mr. Roy Jenkins, the Home Secretary, said yesterday.

Other members of the group, which will report by the end of October, will be Mr. Sydney Irving (Lab. Dartford) and Mr. Mark Carlisle (C., Runcorn).

It was hoped to hold a "very early meeting" of the group, Mr. Jenkins told MPs in a Commons written reply. He had announced earlier this month that the group was to be set up.

SPAIN ♥

July 23	Per cent.	
Asland	247	+2
Banco Lopez Quesada	542	—
Banco Bilbao	720	—
Banco Atlantico (1,000)	584	—
Banco Central	798	—
Banesto (250)	502	−2
Banco Exterior	508	—
Banco General	[illegible]	—
Banco Granada (1,000)	316	+2
Banco Hispano	418	−8
Banco Iberico	468	−5
Induban	418	—
Banco Ind. Cat. (1,000)	325 xd	—
Banco Mercantil (1,000)	805	—
Banco Occidental	409	—
Banco Popular	505	−8
Banco Santander (250)	754	−6
Banco Urquijo (1,000)	490	−2
Banco Vizcaya	582	−3
Banco Zaragozano	818	−16
Bankunion	336	—
Banus Andalucia	266	+1
Altos Hornos	137	+5
Babcock Wilcox	110	−1
CIC	300	—
Dragados	660	+3
Inmobanif	130	—
E. I. Aragonesas	123	—
Espanola Zinc	185	—
Expl. Rio Tinto	278.50	+2.50
Fecsa (1,000)	101	+0.75
Fenosa (1,000)	107	−1
Finanzauto SA	338	—
Finanzauto Servicios	344	—
Gal. Preciados	320	—
Grupo Velazquez (400)	218	−2
Hidrola	125	+1
Iberduero	124	+2
Motor Iberica	228	—
Olarra	525	—
Papeleras Reunidas	228	−3
Petroliber	237	—
Petroleos	498	+0.50
Sarrio Papalera	203	—
Snalce	94	—
Sogefisa	261	—
Telefonica	155	+1
Torras Hostench	355	−5
Tubacex	362	—
Union Elec.	105	—
Union y Fenix	507	—
Urbis	181	—

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax.
♦ DM50 denom. unless otherwise stated ♣ Kr.100 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated ♦ Frs.500 denom. unless otherwise stated ¥ Yen 50 denom. unless otherwise stated § Price at time of suspension a Florins b Schillings. c Cents d Dividend after pending rights and/or scrip issue. e Per share f Francs. g Gross div. % h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free n Francs, including Unilac div. p Nom. q Share split s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. w Merger pending. * Asked † Bid § Traded ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	July 22	July 21
[illegible]		

CANADA

Stock	July 22	July 21
[illegible]		

GERMANY ♦

July 23	Price DM	+ or −	Div. %	Yld. %
[illegible]				

MILAN

July 23	Price Lire	+ or −	Div. Lire	Yld. %
[illegible]				

AUSTRALIA

July 23	Aust. $	+ or −
[illegible]		

BRUSSELS/LUXEMBOURG

July 23	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]				

TOKYO ¶

July 23	Prices Yen	+ or −	Div. %	Yld. %
[illegible]				

Source Nikko Securities, Tokyo.

PARIS

July 23	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]				

SWITZERLAND ♦

July 23	Price Frs.	+ or −	Div. %	Yld. %
[illegible]				

AMSTERDAM

July 23	Price Fls.	+ or −	Div. %	Yld. %
[illegible]				

JOHANNESBURG

MINES

July 23	Rand	+ or −
[illegible]		

INDUSTRIAL

	Rand	+ or −
[illegible]		

COPENHAGEN

July 23	Price Kroner	+ or −	Div. %	Yld. %
[illegible]				

STOCKHOLM

July 23	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]				

OSLO ♣

July 23	Price Kroner	+ or −	Div. %	Yld. %
[illegible]				

VIENNA

July 23	Price %	+ or −	Div. %	Yld. %
[illegible]				

Sport

ɾold out of the blue

IN'S rousing victory, her of the Games, in the Pentathlon team event strated yet again our to reach up into the blue ll down a gold. This was 's first modern Pentathlon of any hue and all praise an Parker, Robert Night- and Jim Fox) was vividly cted, in spite of the trio's strength in the cross

anz 5th of 13 teams after events, they strode to with a points-laden per- ce in the 4,000 metres

in's ability to snatch ut of rarified air has been before In Munich it was elers in the women's pen- in Mexico John Braith- n the clay pigeon shoot- e keep our rivals guess- ll in all, Britain could be for her biggest gold ally since Paris 52 years

Games are starting to boil from a British point of he week-end should be These are the main pros-

ETICS: To-day sees three finals, of which only 's shot directly concerns other two are the finals women's javelin and the 00 metres. In the shot, affable record holder, ines (23 stone, career- feet 8½ inches) is tipped ust the bronze, against e Al Feuerbach of the d Russia's enigmatic ecord holder Aleksandr ov (72 feet 2¼ inches) also sees the semi-finals men's 800 metres (Steve the heats of the women's tres (Sonia Lannaman) and the semi-finals of the women's 800 metres (Elizabeth Barnes). Both Ovett and Lannaman should steam into to-morrow's finals. Ovett is probably capable of 1m. 45.5sec. may strike bronze. Miss Lannaman, svelte, 20 and single, could take silver if fully fit. If she can get to within a few hundredths of 11.05.

To-morrow also features the final of the men's discus and the men's 400m. hurdles. Britain's Alan Pascoe in the 400 metres hurdles has been dogged by injury.

SWIMMING: Americans and East Germans have dominated so far, but Britain's David Wilkie is a firm tip for to-day's final of the 200 metres breaststroke.

ROWING: Britain's eight, a combination from Leander and Thames Tradesmen, reached Sunday's final by winning their repechage heat. They face East Germany, Australia, West Germany, New Zealand and the Czechs.

This best-ever British eight has undergone slogging preparation, guided by coach Bob Bob Janonsek. East Germany are gold-medal favourites. Britain could pip New Zealand for the silver.

The most entertaining side-show of the week-end will be to-day's qualifying rounds in the pole vault, less an athletics discipline than a high technology. World record is Dave Roberts' 18 feet 8¼ inches, set in the U.S. Olympic trials. Glass fibre poles still rule the day but the vaulters reckon their usefulness will expire at around 19 feet.

Thus the search for a new pole material, even a new vaulting device. James Vernon, a 59-year-old Associate Professor of Mechanical Engineering, has designed an angled, jointed construction (material unspecified) that could be the next breakthrough.

In the high jumping, where Fosbury flopper Dwight Stones holds the world mark at 7 feet 7 inches, a U.S. gymnast, Glen Schmeling, is working on a new technique.

Schmeling sprints towards the bar, performs a cartwheel and dives overhead first. He has cleared 7 feet 2 inches that way, against 5 feet 8 inches using conventional methods. American judges are unamused. They claim Schmeling takes off from both feet, which is against the rules.

The jumper himself thinks the situation "pretty funny," adding, "I got a letetr from a track federation that says my jump is illegal. They've never even seen it. I'm going to frame that letter."

On the long jump scene world record Bob Beaman's 29 feet 2½ inches some are still trying to revive the flip, where the jumper does a complete somersault. There is no end to the jumpers' ingenuity; nor to their folly.

Olympics '76

BY MICHAEL THOMPSON-NOEL REPORTS FROM MONTREAL

Princess Anne and Capt. Mark Phillips at the Bromont Olympic centre.

Battle of Bromont

OUT AT BROMONT, 50 miles south-east of Montreal amidst the rolling acres owned by a powerful Quebec family, the Equestrian Olympics are under way in an atmosphere of refined and devout competition.

The three-day, 13-team equestrian event enters the crucial stage to-day with the slog of the endurance test which should see a consolidation of the fine start the British made in the dressage.

Britain is the reigning Olympic three-day team champion, Richard Meade the ruling individual Gold medallist. His colleagues at Bromont are Hugh Thomas and Princess Anne, who finished third and seventh of the 24 first-day starters in the dressage, and Lucinda Prior-Palmer. The best three performances count towards the team medals.

Princess Anne is naturally attracting all the fuss. Watched by the Queen, the Princess—the 1971 European champion — performed a reasonable test on Goodwill for 91.25 penalty points. Thomas accumulated only 85 on Playamar, setting things up for Meade on Jacob Jones and Miss Prior-Palmer on Be Fair.

From the courtly dressage the competitors now switch to the rigours of the 22-mile endurance test which comprises a flat roads-and-tracks course at moderate pace, a full-gallop steeplechase, a second roads-and-tracks and a six-mile cross-country over 30 solid, natural-type obstacles. The endurance day accounts for about 75 per cent. of the competition and is followed by show jumping on Sunday.

Greig leads fight back

Cricket

WEST INDIES 450
ENGLAND 238-5

ON THE second day of the fourth Test, England were once again in a backs-to-the-wall fight back. On this occasion at Headingley they were successful, but whether they would have been if both Holding and Holder had not broken down and been unable to bowl in the later stages must be open to some doubt.

Nevertheless, it was good to see the return to form of Greig and Knott, while both Willey, colourful and exciting, and Balderstone, patient and watchful, contributed useful and highly contrasting innings.

By the end of the day the England captain was demonstrating how and why he has, until this summer, regularly scored runs in international cricket. He finished with 89 not out and the prospect of a well-deserved century to-day.

The West Indies resumed their first innings at 437 for 9 against the bowling of Willis and Snow. Roberts and Daniel lasted rather longer than expected, assisted by a rare error from Knott, who dropped Daniel. It did not prove an expensive miss, as with the total 450 Snow uprooted Roberts' middle stump when he optimistically attempted a square cut.

England's new opening pair, Steele and Woolmer, came out to face some very fast bowling from Roberts and Holding. The Kent player might have been caught off the second ball, a nasty chance low down to a very close short leg, but it was Steele who departed to the pavilion with only four runs on the board, beaten by the sheer pace of Holding.

Although Woolmer experienced several unhappy moments against the speed of Roberts and Holding, and played and missed more than he would have liked, he was still there when Lloyd made a double bowling change at 12.55, bringing on Daniel and Holder.

The move proved successful, as Hayes, who had shown considerable skill in negotiating several lifting deliveries, went to drive a full half-volley from Daniel outside his off stump and was caught behind.

Worst was to come as at 34 Woolmer was caught in the slips off Holder, which meant that the two new caps were together and England most unhappily placed.

At lunch, the score was 43 for 3, so that a large stand between the two newcomers was essential.

With Willey providing welcome aggression and Balderstone holding on grimly the newcomers took the score to 80 before Willey was l.b.w. to a ball that kept low from Roberts. Although the Northants player did give a very difficult chance earlier, he played most impressively. He is a natural strokemaker and several times hit the ball back past the fast bowlers.

Just after three o'clock Holding limped off with a damaged leg muscle, which meant that Lloyd was presented with the problem of perming from three instead of four quickies. As a result he used both King and Fredericks who both looked rather friendly.

The ever-watchful Balderstone proceeded to share in a useful partnership with his captain, Greig, which took the score past three figures.

Although it was not exciting, Balderstone making 11 between lunch and tea, it was in the circumstances, essential if England were to make a fight of it, and Greig on 32 not out, was showing a welcome return to his true form.

The re-introduction of Roberts, much the most dangerous member of the West Indian attack, clearly worried the batsmen. At 169, having gone round the wicket, he deceived Balderstone with his new line and had him caught behind.

Lloyd's problems increased when Holder, after one exploratory over, was unable to continue. It meant that he was forced to over-use Roberts.

Greig and Knott began to take toll of bowling which was beginning to lose penetration and fire. Together they took the score to 238—5 at the close, with Greig 89 not out and Knott 30 not out.

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Pascoe takes big hurdle in his stride

MONTHS OF anxiety ended for Alan Pascoe yesterday when he came through his first test as the Olympic athletics opened.

He reached the second round of the 400 metres hurdles, finishing second to the new title favourite from the U.S., 6 feet 2 inches Ed Moses, in easily the fastest of four heats.

Pascoe showed signs of nerves after successfully overcoming a series of bad injuries to put himself in a position to add an Olympic medal to his title successes in the Commonwealth Games and the European championships of 1974.

Three times the start was held up as runners left their blocks, and Pascoe showed his frustration by gesturing to the crowd. Moses used his long legs to maintain 13 strides between hurdles all the way and record the fastest time of the day, 49.35 seconds, well clear of Alan Pascoe, who returned 51.66.

Olympic records by the Russian Alexandr Baryshnikov and Marion Becker, of West Germany got the athletics programme off in a strong start.

Many of the 42,000 spectators had not settled into their seats when Baryshnikov pulled out a mighty put of 21.32 metres (69 feet 11¼ inches) to lead the qualifiers for to-day's shot final.

There has never been any doubt about the effectiveness of the Russian's spiral technique, but his critics have noted that he has seldom performed well away from his own country.

But his initial effort yesterday was in the same mould as his world record of 22.00 metres (72 feet 2¼ inches) in Paris two weeks ago. It seems that Baryshnikov has at last conquered his nerves and gained a valuable degree of consistency.

American George Woods, among the favourites for a shot medal after taking silvers at the last two Olympics, barely managed to scrape through as last of the 12 qualifiers, with a desperate heave of 63 feet 6 inches.

Giant British policeman Geoff Capes achieved 66 feet 11 inches, second in his qualifying group.

Jamaican-born Tessa Sanderson, 20, marked her Olympic debut by qualifying in the javelin with a British record. She threw 187 feet 7 inches, beating her performance in the Olympic trials meeting last month by 3 feet 2 inches

But her throw was put into perspective by West Germany's Marion Becker, who set an Olympic record with 213 feet 8 inches.

● Chris Baillieu and Mike Hart of the Leander club, qualified for to-morrow's final of the double sculls. They came second behind Norway, the world champions, in their semi-final and line up for the medals against East Germany, Russia, France, Norway and West Germany.

With the world champions, the Hansen brothers of Norway, in the same heat, there was no prospect of finishing first, but in a race for the minor placings they comfortably outpaced the West Germans to take second place by a length. Norway took a fast 6 minutes 12.18 seconds, Britain 6 minutes 18.38 seconds.

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Racing

Youth must tell

THERE is no greater horse race in the world than the King George VI and Queen Elizabeth Diamond Stakes which, generally has been responsible for far more memorable races in the last few years than either the Derby or the "Arc" and I fully expect to-day's running to produce another spectacular finish.

The present odds of 7-4 Youth 11-4 Pawneese and 4-1 Malacate suggest that a clean sweep can be expected for France. It is possible to see either Bruni or Orange Bay causing a shock, but I shall be more than surprised if the £81,508 first prize, of which de Beers has given £44,000, goes anywhere but to one of the invaders.

Youth, one of five Classic winners in the 10-runner line-up, has headed the market for this race since gaining an easy success in the French Derby, the Prix du Jockey Club, at Chantilly early last month.

Always going far too well, for his 17 opponents in that event, Youth, unbeaten in four outings this term, swept into the lead approaching the distance before striding clear to defeat Twig Moss, winner of the £27,000 Prix Noailles, by three-quarters of a length, with Malacate three lengths back in third place.

ASCOT

2.00—Ramadan
2.35—Al Stanza
3.20—Youth**
Ashmore (each way)
3.55—Averinos
4.25—Hobnob
5.00—Strabo***

AYR

1.30—Roman Fantasy
2.00—Swell Fellow
2.30—Tutu
3.00—Roman Warrior*
3.30—Peak Princess
4.00—Guard Duty
4.30—Friendly Sound

Pawneese, also unbeaten this season, showed that there was nothing deceptive about the ease with which she disposed of her Oaks rivals when getting the better of the previously unbeaten River Queen in the French counterpart, the Prix de Diane at Chantilly on June 13.

In that event, the most memorable fillies Classic I have seen, the front-running Pawneese, driven for all she was worth by Yves St. Martin in the final three furlongs, held off River Queen by one and a half lengths with the subsequent Irish Guineas Oaks winner, Lagunette, three lengths away in third place.

Malacate, who is comfortably held on the form book by Youth, judged by their Prix du Jockey Club running, owes his market position to his recent victory in the Irish Sweeps Derby at the Curragh.

Francois Boutin's Lucky Debonair colt, thought by his connections to be improving, could hardly have been more impressive there. Tracking the odds-on favourite Empery until well into the home straight, Malacate then forged clear to outpace the Epsom Derby winner with the minimum of fuss.

DOMINIC WIGAN

COMMODITIES/Review of the week

...ic ends on a buoyant note

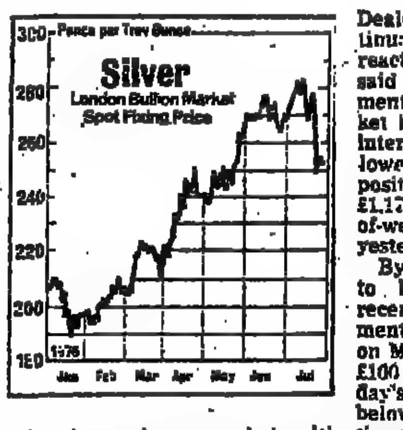
BY OUR COMMODITIES STAFF

VALUES on the London Exchange closed in mood last night with at £4.5 up on the week a tonne. Some of the was undoubtedly due on Thursday of the f the restrictions on e trading in zinc that inspired by the Bank d.

restrictions had been in May and their introduction had aroused fears control of futures eing attempted by the ese fears appeared to ... however, specially Bank stated in its annual published earlier that its investigations markets had revealed for official concern.

Lead also ended the week £281.75 a tonne, up £7.5 copper wirebars closed the week down £2.75 at tonne. Tin values ... a hard fall at the of the week to close at £4,822.5 a tonne for ... metal, unchanged.

A factor in the fall in ... earlier had been the slump in gold prices.



This sharp drop coupled with firmness in sterling and weakness in New York values brought a steep decline in silver values which fell to their lowest point for about two months. Subsequently they recovered some of the lost ground but the spot bullion price yesterday was fixed at 252.5p a troy ounce, still 19.2p below the previous Friday's figure.

The sharpest movement among the "soft" commodities was in cocoa, with the September futures position ending the week £64.25 lower at £1,128.5 a tonne. Dealers saw the fall as a continuation of the technical reaction to the recent rise. They said there was little fundamental news affecting the market but noted that manufacturer interest was apparent at the lower levels. The September position reached a low of £1,173.75 on Thursday but end-of-week profit-taking lifted prices yesterday.

By contrast coffee prices seem to have recovered from the recent dramatic "bear" movement—but not before a new fall on Monday had trimmed another £100 off nearby quotations. Monday's fall took coffee prices below cocoa for the first time since the July 1975 frost. By last night's close, however, the September position had climbed back to £1,265.5 a tonne—up £24 on the week

Reports of further rain in several European countries, desperately needed by beet crops, coupled with the tendering of 26,000 tonnes of Mauritius sugar against contracts in the expiring August futures position brought substantial falls on the sugar terminal market. The September position ended at £151.65 a ton, down £7 on the week having gained £2.90 yesterday.

WEEKLY PRICE CHANGES

	Latest prices per ton unless stated	Ch'ge on week	Year ago	1976 High	1976 Low		Latest prices per ton unless stated	Ch'ge on week	Year ago	1976 High	1976 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MARKET REPORTS

BASE METALS

COPPER—Rallied on the London Metal Exchange but still closed around £5 lower on the week. Physical buying in the U.S. overnight after the Comex close caused prices to open higher here and the price moved up to £945 on moderate speculative interest and ended at £919 on the afternoon Kerb following the early firmness of the U.S. market. A small rise in warehouse stocks on the week is forecast. Turnover 22,575 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Wirebars				
Cash	911.5-12	+4	914.5-5	+10.25
3 months	944.5-5	+5	947.5-8	+8.25
Settlem't	912.5	+4.5		.....
Cathodes				
Cash	900.5-1	+1.25	903-5	+8.5
3 months	933 4	+.5	936-7	+8
Settlem't	901	+1.5		.....
U.S. Smt.		.....	*74	.....

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £944, 45, 44.5, 45, 44.5. Cathodes: Three months, £933.5. Kerb: Three months, £945. Afternoon: Wirebars, three months, £946, 46.5, 47, 47.5. Kerb: Three months, £949, 48.5, 49, 48.5.

TIN—Recovered strongly following the upward movement in the Penang overnight. Forward standard metal opened at £4,890 but then eased to £4,870 on hedge selling but at that level, fresh speculative interest and U.S. physical demand initiated a recovery and the price ended at £4,895 on the afternoon Kerb. Prices showed little change on the week but stocks are expected to fall. Turnover 2,383 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	4815-20	+34	4825-30	+47.5
3 months	4880 5	+59	4895 900	+37.5
Settlem't	4820	+35		.....
Standard				
Cash	4810-5	+35.5	4820 5	+42.5
3 months	4870 5	+51.5	4892-4	+45
Settlem't	4815	+35		.....
Straits E.	$1,260¼	+10¼	—	.....
New York		.....		.....

Morning: Standard: Cash, £4,805, 10, three months, £4,880, 90, 85, 82, 80, 75. Kerb: Three months, £4,875, 80. Afternoon: Standard: three months, £4,885, 90, 95, 93, 92, 91, 90, 92. Kerb: Standard, three months, 4,890, 95, 98.

LEAD—Gained ground helped by the rise in copper with good buying against physical sales. The market opened at £294 for forward, fell to £292.5 and then rallied to £294 on the afternoon Kerb. Prices rose £7.5 on the week, with a modest rise in stocks expected. Turnover [illegible]

SILVER

COCOA

COFFEE

SOYABEAN MEAL

GRAINS

FREIGHTS

fixed from the U.S. Gulf to Antwerp-Hamburg range at $8.20 to Lisbon at $10.30 and to Leixoes at $11 all f.i.o. for August. South American grain shippers covered a cargo from Paranagua to Puerto Cabello at $11 f.i.o. for August. Other grain business included wheat from the U.S. North Pacific to Bombay or Kandla at $22 free discharge for Sept. In the sugar section, a cargo from Durban to Japan paid $13.30 f.i.o. for August. Ore charterers fixed vessels from Mavapa to Montreal at $7.40 for ...

SUGAR

RUBBER

JUTE

White "D" grade July-Aug. $502. A long ton.

CALCUTTA—Steady. Indian spot Rs.460. Dundee Daisee spot Rs.450 values. A bale of 400 lbs.

WOOL FUTURES

LONDON—The market was unchanged to slightly higher in quiet trading, reports Bache.

VEGETABLE OILS

MEAT/VEGETABLES

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Metals and grains fall: cocoa lower

NEW YORK, July 22.

THE SOYABEAN complex closed limit-down with other grains sharply lower on good moisture in growing areas and expectation of further precipitation. Copper and silver closed lower on Commission-House and local selling following grains. Sugar closed easier on Commission-House selling. Coffee finished lower on trade selling. Cocoa and platinum were very weak. Bache reports.

Cocoa—Ghana spot 100 (103½). Bahia spot 92½ (96½). Sept. 85.10 (88.60). Dec. 82.70 (85.70). March 80.55. May 77.85. July 75.58. Sept. 72.80. Dec. 69.70. Sales: 1,374 lots.

Coffee—"C" Contract: July 133.00-134.25 (132.90). Sept. 126.50-126.35 (127.00). Dec. 123.80-124.00. March 121.00-121.10. May 121.00-121.60. July 130.50 nom. Sales: 382.

Copper—July 73.00 (73.80). Aug. 73.10 (74.00). Sept. 73.70. Dec. 75.40. Jan. 75.90. Sales: 6,324 lots.

Cotton—No. 2: Oct. 78.43 bid (79.43). Dec. 76.05 bid (74.05). March 76.35 bid. May 75.00 bid. July 75.25 bid. Oct. 70.15-70.25. Dec. 65.85. Sales: 3,250.

†Gold—July 110.70 (112.50). Aug. 111.00 (112.80). Sept. 111.60. Oct. 112.00. Dec. 113.00. Feb. 114.10. April 115.30. June 116.50. Aug. 117.70. Oct. 119.00 settlements. Sales: 784.

Greasewool—Spot 172.0 nom. (178.0 nom.). Oct. 179.5-185.0 (179.0). Dec. 179.5-184.0 (179.0). March 179.5-186.0. May unquoted.

†Lard—Chicago loose 21.50 nom. (22 nom.). NY prime steam 23.00 nom. (23.50 nom.).

††Maize—Sept. 281½ (290½-291). Dec. 272½-272¾ asked (282½). March 291½ asked. May 258 asked. July 291 asked.

‡Platinum—Oct. 163.00 (168.50). Jan. 165.20 (172.50). April 169.50. July 171.60. Oct. 174.00. Sales: 921 lots.

†‡Silver—Spot 446.00 (443.50). July 446.50 (454.30). Aug. 446.20 (454.50). Sept. 449.60. Dec. 453.70. Jan. 455.70. March 464.20. May 464.50. July 469.40. Sept. 474.10 settlements. Sales: 18,990 lots.

*Soyabeans—Aug. 642½ asked (662½). Sept. 646 asked (662½). Nov. 656 asked. Jan. 651½ asked. March 667½ asked. May 665 asked. July 668 asked.

‖Soyabean Meal—Aug. 183.70 asked (193.70). Sept. 184.00 asked (194.00). Oct. 185.20 asked. Dec. 186.30 asked. Jan. 188.50 asked. March 189.50-190.00. May 191.00 asked. July 193.50 asked.

Soyabean Oil—Aug. 19.25 asked (20.25). Sept. 19.30 asked (20.30). Oct. 19.47 asked. Dec. 19.07 asked. Jan. 19.68 asked. March 19.70 asked. May 19.75 asked. July 19.73 asked.

Sugar—No. 11. Spot 12.50 (12.85). Sept. 12.75-12.73 (12.94-12.98). Oct. 13.05-13.14 (13.25-13.30). Jan. 13.35 nom., March 13.50-13.36. May 13.63-13.50. July 13.65. Sept. 13.55 nom. Oct. 13.54. Sales: 8,240 lots.

Tin—389.00-395.00 asked (388.5 asked).

**Wheat—Sept. 349-350 (359-358½). Dec. 362-363 (372-372½). March 374½-375. May 373½. July 362½.

WINNIPEG, July 22. ††Rye—July 282 bid (295 asked). Oct. 280-281½ (288½ bid). Nov. 277 asked. Dec. 277½.

¢Oats—July 138 (141). Oct. 140 asked (141½). Dec. 128½ bid.

§Barley—July 209 (214½ bid). Oct. 210 asked (213½). Dec. 210.

dFlaxseed—July 725 (737½ bid). Oct. 740 bid (754). Nov. 739 bid. Dec. 738 bid.

Wheat—SCWRS 13.5 per cent. protein content cif. St. Lawrence 455¼ (459¼).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. ¢ Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

OVERSEAS NEWS

Syria puts pressure on Beirut truce

BY IHSAN HIJAZI

DESPITE continued fighting in and around the embattled Palestinian camp of Tel al-Zaatar and the nearby Moslem quarter of Al Nabaa at Beirut's south eastern end, efforts went underway to arrange a ceasefire and help the Arab peace keeping force expand its present positions on the dividing line between the Moslem and Christian districts.

Observers saw an encouraging sign in a verbal message from Syrian President Hafez al Assad to President Suleiman Franjieh which was delivered to-day by a Syrian army officer, Col. Mohammed Al Kholy, who arrived by military helicopter at the Christian port of Jounieh in the morning.

Responding to reporters questions, he indicated his mission was related to what he described as Syrian desire to see an all-embracing ceasefire brought into effect in Lebanon.

Col. Al Kholy also met with the two other top Right-wing Christian leaders, Mr. Camille Chamoun and Pierre Gemayel, before returning to Damascus later in the day.

Observers said if Syria in fact has joined the efforts for a ceasefire, this was an encouraging sign for two reasons: first, Syria can bring pressure to bear on the Right wing to go along with the proposed truce; second, the Syrian move may be a first indication the current Palestinian-Syrian talks in Damascus were making progress.

Informed sources, however, are of the opinion the Right wing are not yet ready for a ceasefire, insisting on establishing full control on Tal Al Zaatar and the nearby Al Nabaa quarter. The offensive against Tal Al Zaatar entered its 31st day to-day with clashes reportedly still raging in the area. Press quarters put the number of casualties at Al Nabaa in the past 24 hours at 100 killed and wounded.

Just the same, the Arab League's special envoy here, Dr. Hassan Sabry Al Kholy, has kept up his contacts with both factions in the civil war with the aim of expanding the "neutral zone" which the Arab peace-keeping force has already established between the Moslem and Christian quarters here. He was quoted in the Press to-day to have said the next step will be for the troops to move down the road to Christian-held territory, this to be followed by stationing Arab troops in the commercial centre and the port area. He was quoted as adding that he hoped the Arab forces next week will be able to secure a road linking the Christian suburbs with Beirut airport, which is in a Moslem-held section.

Dr. Al Kholy, accompanied by the commander of the Arab League force, to-day personally escorted the Red Cross convoy to Tal Al Zaatar to evacuate the wounded. One radio station said the convoy managed this afternoon to enter the camp. Three other previous attempts by the Red Cross had failed.

● Kamal Jumblatt, the leader of Lebanon's left-wing Moslems, says he is forming a government for the areas of the country controlled by the Moslems and their Palestinian allies.

AP-DJ

Sadat cool to Libyan threat

CAIRO, July 23.

EGYPT reacted coolly to-day to a Libyan threat to sever all relations. President Anwar Sadat ignored it and there was no official comment, although, the influential newspaper Al-Gomhouria said Egypt did not contemplate making the break.

The ill-feeling between the two Arab neighbours was highlighted in a speech by Mr. Sadat last night when he spoke of "Libya's madman"—apparently meaning Colonel Muammar Khedaffi.

Libya's threat to break relations preceded this by a few hours. The Libyan official Arna news agency said the country was "seriously considering severance of all relations with Egypt if the latter continues its aggressive policies towards the LAR (Libyan Arab Republic), Arna understands."

Egypt's oft-declared policy hinges on a belief that severing relations serves no purpose.

Egypt and Sudan blamed Libya for an attempted coup this month against Sudanese President Jaafar Nimeiri, a charge strongly denied by the Libyans.

Last night, Mr. Sadat described as tragic "the attempt of Libya's madman and his clique of conspirators and clandestine powers to invade Sudan in the most brutal and vicious way."

Reuter

INTERNATIONAL COMPANY NEWS

Slump at BHP

BY JAMES FORTH

SYDNEY, July 23.

PROFITS of Broken Hill Proprietary, Australia's largest company and only steel producer, almost halved in the year to May 31, from \$A120m. to \$A63.6m. The earnings only barely covered the dividend of 31 cents a share. The main factor in the slump was a reported \$A50.6m. loss on steel operations compared with a \$A1.7m. loss in 1974-75 and a \$8.4m. profit in the previous year. The loss was incurred despite steel price increases granted during the year amounting to about 30 per cent. It was caused by the world economic slump, which hit demand for steel internationally and slashed export prices, and the local recession.

But the loss was also after allowing for BHP's own form of inflation accounting. BHP includes a charge for plant replacement in its depreciation which it calls the fixed asset utilisation charge. The replacement factor is termed the fixed asset value adjustment (FAVA). The total fixed asset utilisation charge is up from \$A182.6m. to \$A221.7m., which includes a jump in the FAVA from \$A56.9m. to \$A90.1m. The steel figures were after a FAVA of \$A66.4m. compared with \$A43.6m. in the previous year. If BHP did not make an adjustment, the steel section would have reported a drop in profit from \$A41.8m. to \$A15.7m. This is still a minimal return considering that about \$A1.7bn. in funds are employed in steel.

BHP recently told an Industries Assistance Commission inquiry into iron and steel that unless profitability was improved it was becoming increasingly difficult to justify investment. The group has already deferred a \$A500m. expansion programme at its Newcastle works in New South Wales.

Profit of the minerals section, which includes the Mt. Newman iron ore venture and Groote Eylandt Manganese, dipped from \$A32.9m. to \$A23.9m.: earnings from oil and gas edged up from \$A73.0m. to \$A.80.1m., while results from other operations dipped from \$A.14.6m. to \$A.12.2m.

If the inflation adjustments were excluded from the group result earnings would have only been down 11.4 per cent., from \$A.175.8m. to \$A.155.7m.

BHP's managing director, Mr. J. C. McNeill, said that while the steel loss was "disastrous" BHP expected a better result in 1976-1977. Steel industries throughout the world suffered last year but were showing signs of improvement. An improvement in the overseas steel market would also flow over to the group's minerals interest, particularly iron ore. Mr. McNeill was cautious about the domestic steel market because the local economic recovery had not yet shown up in the order books. Mr. McNeill said he believed the recent recession had permanently dislodged future demand predictions by a couple of years. The growth rate for steel consumption now varied between 3.5 and 5 per cent. compared with previous estimates ranging between 5 and 5.5 per cent.

Sit-in at Goodrich

BY MICHAEL VAN OS

AMSTERDAM, July 23.

Staff at one of the main Dutch manufacturing plants of Goodrich occupied the Goodrich-Europe head office at Loosduinen for 3.5 hours this morning in protest against the proposed reorganisation of the company's operations in Holland.

The 550 staff of the adjacent Loosduinen general product manufacturing plant fears that the plant will be closed down as the Economics Ministry has indicated it will try and maintain the Goodrich jobs, around 5,000, as much as possible in high unemployment areas and that the slimming down efforts would be concentrated at Loosduinen. The staff there prevented entry into the offices of the Goodrich-Europe management, but continued work at the manufacturing plant nearby.

A spokesman for the staff said to-day the action served as a "warning" to the government—it received full union backing—and that it was designed to put pressure on talks between the unions and the economics ministry.

The Loosduinen staff said that "tougher action" should not be ruled out if no satisfactory solutions were reached, and stressed that its plant was a modern and profitable operation. Ironically, the earlier plans announced by Goodrich itself for its Dutch operations, which were rejected by the unions with unofficial government backing, did not affect the Loosduinen plant. Staff there has now protested against what it called a "political solution" for the company's problems.

Meanwhile, Reuter reports from Akron, Ohio, Goodrich said that if it concludes the announced agreement to sell its wholly-owned Dutch subsidiary it will take a third-quarter charge of about \$12.3m.

If the agreement had been concluded in the second quarter it would have reported a loss for the period of \$8.87m. or 65 cents per share, a first-half profit of \$710,000 before preferred dividends and a loss of 2 cents for the half after dividends.

NHS will phase out tricycles

By Justin Long, Parliamentary Correspondent

PROVISION OF invalid tricycles through the National Health Service is to be phased out over five years, Mr David Ennals, Social Services Secretary, said yesterday in the Commons.

The Government intended that anyone under pensionable age who held a tricycle issued under the old vehicle scheme should be able to switch to a mobility allowance, he said.

Explaining further arrangements to replace the tricycle scheme, Mr. Ennals referred to concern about accident statistics of this vehicle.

Although safety precautions had been taken, there was a decisive new factor in that the progress of international standards in this field made it most probable that the limits of the present tricycle design would be reached before long.

After the present annual contracts with the two tricycle manufacturers were completed in March 1977 the Government would be placing one last order, the Minister said.

Replacements

Details of this were to be discussed with manufacturers as soon as possible.

Existing tricycle drivers would be able to keep their vehicles until they wore out. They would have them replaced when that happened as long as spare parts and replacements were available.

"We shall be bringing before the House amending legislation to enable mobility allowances awarded to beneficiaries under the old scheme to continue in payment without age limit," Mr. Ennals told MPs.

The phasing-out would be such that proposals for replacing the tricycle scheme would not incur net additional public expenditure.

Mr. Alfred Morris, Minister for the Disabled, announced that the new £260-a-year mobility allowance was to be extended to children aged between 11 and 14.

Rejected

The mobility allowance is £5 a week. First payments were made in January this year to an estimated 25,000 beneficiaries. The Social Security department expects eventually 100,000 disabled will get the allowance.

The Government decision was condemned as "quite ludicrous" by the Invalid Tricycle Action Group.

"We totally reject the concept of phasing out the trike without providing a proper alternative vehicle," the group said. "The idea of just making available the £5-a-week mobility allowance will result in existing 'trike' drivers being made immobile and unable to do their jobs. The campaign will go on."

The £5 barely covered the cost of maintenance and insurance. It did nothing to provide the capital grant needed to get a car in the first place. Disabled drivers often had very low incomes.

The group wanted to see the Department of Health and Social Security provide adapted Minis for disabled drivers, a move which, it claimed, would cost less than providing tricycles.

Concern

Tricycles cost the department £1,150 each, while adapted Minis, when bought in bulk, were about £1,100. "All we are asking is that we be given a proper vehicle as recommended in Baroness Sharp's report in 1974,;; the assocoation said.

Mr. Nigel Harvey, secretary of the Disabled Drivers' Motor Club, the largest disabled drivers' association, said he was concerned. It was absolute nonsense that the Government should provide disabled drivers with nothing more than the £5 allowance.

A capital grant was esential "otherwise the Government is denying these people mobility." If that were not possible, a safe four-wheeled vehicle should be provided.

Action Research for the Crippled Child welcomed the Government move.

"Disabled people have the right to the same cars as other people and not to travel the roads labelled as handicapped," it said. It hoped that the Department of Health and Social Security would set up an interest-free loan or hire purchase scheme for disabled people.

The announcement that the mobility allowance was being extended to include 11-year-old children was splendid.

The move on child mobility allowances was welcomed by deaf Labour MP Mr. Jack Ashley, who has campaigned for the disabled. "The Government has shown real concern for disabled people and has made a great advance. It is particularly welcome at a time of economic stringency and will give fresh heart to disabled people everywhere."

Swedish air cargo deal

ASA INTERNATIONAL air cargo an dFlygspedition, of Sweden, have negotiated an agreement on air cargo between Britain and Sweden.

Flygspedition is part of the big Bilspedition transport group, with air cargo offices in Stockholm, Malmo and Gothenburg.

Mr. Peter Liechti, ASA's international sales manager, said the agreement "will provide our exporters to Sweden with a true through movement and also allow companies importing from Sweden to take advantage of lower consolidation rates and our nationwide import brokerage and delivery service."

This week's SE dealings

Friday, July 23	4,460	Wednesday, July 21	4,613	Monday, July 19	5,108
Thursday, July 22	4,515	Tuesday, July 20	4,861	Friday, July 16	5,808

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. ‡ Bargains done with members of a recognised Stock Exchange. ‡ Bargains done for delayed delivery or "no buying-in." \$A—\$Australian; \$B—\$Bahamian; \$C—\$Canadian; \$HK—\$Hong Kong; \$J—\$Jamaican; \$Ma—\$Malaysian; \$Me—\$Mexican; \$NZ—\$New Zealand; \$S—\$Singapore; \$U.S.—\$United States; \$WI—\$West Indian

BRITISH FUNDS (680)

2½pc Anns. 17½● ¼● (22/7)
3pc British Transport 1978-88 49 [illegible]
4pc British Transport 1972-77 94 [illegible]
2½pcCons. 17 [illegible] 18 17 [illegible]
4pc Cons. Ln. 27 [illegible]
3½pc Conversion Ln. 27 [illegible]
5pc Exchequer Ln. 1976-78 91 [illegible]
13½pc Exchequer Ln. 1996 95 [illegible]

[illegible]

CORPN. & COUNTY—U.K. (47)

FREE OF STAMP DUTY

[illegible]

SHORT DATED BONDS FREE OF STAMP DUTY

[illegible]

PUBLIC BOARDS U.K. (20)

FREE OF STAMP DUTY

[illegible]

C'WLTH. GVT. & PROV. (6)

REGISTERED AND INSCRIBED STOCKS

[illegible]

FOREIGN STOCKS (1)

[illegible]

CORP. STKS.—FOREIGN (—)

[illegible]

U.K. & CWLTH RAILS (7)

[illegible]

FOREIGN RAILS (—)

COUPONS PAYABLE IN LONDON

[illegible]

BANKS AND DISCOUNTS (164)

[illegible]

Natl. Comml. Bkg. Grp. (25p) 68 [illegible]
Natl. Bk. Australasia (Lon Reg.) (\$A1) 200 (22/7)
Natl. Westminster 225 3. Wrnts. 74 [illegible]
Ottoman Bk. Br. 30 (19/7)
Royal Bk. Canada (\$C2) 21 [illegible]
Schroders 305
Smith St. Aubyn London (10p) 102● 2
Slater Walker Secs. (25p) 23 4 2 [illegible]
Standard Chartered Bk. 374● 60 5. 13 [illegible]

[illegible]

BREWERIES, DISTLS. (133)

[illegible]

CANALS, DOCKS (10)

[illegible]

COM'CIAL, INDUSTL. (2,313)

A—B

[illegible]

Booker McConnell (50p) 121 20 19
Boosey Hawkes 7pcPf. 45 [illegible] (22/7)
Booth (Intnl. Hldgs.) (25p) 32 (22/7)
Boots (25p) 127● 4 3 2 5 [illegible]
Borel (J.) Intnl. (Frs.100) Frs 985 90 [illegible] 1,000 (22/7)
Boulton Paul 5[illegible]pcPf. 36 (20/7). 7pcPf. 45 (20/7)
Boulton (Wm.) (Hldgs.) (10p) 17●
Bowater Cpn. 187 [illegible] 60 8 7 5 6 4 [illegible]

[illegible]

C—D

[illegible]

Dunlop Hldgs. (50p) 86 [illegible]
Dupont (25p) 65 [illegible]
Dutton-Forshaw (25p) 24[illegible]
Dykes (J.) (25p) 29● (22/7)
Dyson (J. J.) (25p) 38 (7/7). Non-Vot A (25p) 33 (20/7)

E—F

EMI (50p) 234 1 30 [illegible]

[illegible]

G—H

[illegible]

Hepworth Ceramic Hldgs. (25p) 40[illegible]
Hepworth (J.) Son B (10p) 33 (22/7). 10pcBPf (50p) 33 (21/7)
Herbert (Alfred) 7¼pcDbs. 48● ¼●
Heron Motor Group (25p) 33 (21/7)
Hestair (25p) 78● 8
Hewden-Stuart Plant (10p) 32[illegible]
Heywood Williams Group (50p) 30[illegible] (20/7). 5pcPf. (50p) 17[illegible]●
Hickson Welch (Hldgs.) (50p) 345. 8½pc Unsec Ln. 54 (22/7)
Hield Bros. (5p) 10
Higgs Hill (25p) 45 (20/7). 8pcUnsec. Ln. 51 (19/7)
Highams (25p) 30 (19/7)
Highgate Job Group (50p) 57 (19/7)
Highland Electronics Group (20p) 10● (22/7)
Highlight Sports (10p) 7[illegible]● (22/7)
Hill Smith (25p) 31[illegible]● (22/7)
Hillards (10p) 85 (22/7)
Hirst Mallinson (20p) 24● 5 (22/7)
Hoechst Finance 10pcUnsec.Ln. (with Rts.) 143[illegible] (20/7)
Hoffnung (S.) (25p) 103 1 (19/7)
Hollas Group (5p) 46 (22/7)
Hollis Bros. E.S.A. (25p) 40[illegible] (22/7)

[illegible]

I—J—K

[illegible]

L—M

[illegible]

Mothercare (10p) 197 6
Mount Charlotte Invest [illegible]
Mowlem (J.) (25p) 78 (22/7)
Muirhead (25p) 113 14
Myson Group (10p) 86

N—O—P

NSS Newsagents (10p) 52 [illegible]
National Carbonising (10p) 2[illegible] 38[illegible] (22/7)
Needlers (25p) 14
Neil Spencer Holdings (10p) [illegible]
Nelson (David) (5p) 6¼ (22[illegible]
Newall Machine Tool 10[illegible]
Newarthill 60
Newey Group 75 (22/7)
Newman Granger Industries [illegible] (20/7)
Newman Industries (25p) 52[illegible]
Newman-Tonks (25p) 33● [illegible]
News International (25p) 1[illegible]
Newton (J. M.) Sons (10p) [illegible]
Nichols (J. N.) (Vimto) (25p) [illegible]
Noble Lund (10p) 6¼ (20/7)
Norcros (25p) 69 7 7¼pcL[illegible] 14pcLn. 90[illegible] (22/7)
Norfolk Capital Group (5p) [illegible]
Normand Electrical Hldgs. (2[illegible]

FFI TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms [illegible] years. Interest paid gross, half-yearly. Rates for [illegible] received no later than 30.7.76:

Term (years)	3	4	5	6	7	8	9
Interest %	12½	12¾	13	13½	13½	13¾	14

Rates for larger amounts on request. Deposits to, and information from, The Chief Cashier, Finance for I[illegible] Limited, 91 Waterloo Rd., London SE1 8XP (01-9[illegible] Ext. 244). Cheques payable to "Bank of England, a/[illegible]

FFI is the holding company for ICFC and FCI.

هكذا صدر الأصل

Q—R—S

T—U—V

W—X—Z

W Ribbons Hldgs. (10p) 41⊕
WGI (25p) 102 (19.7)

ELECT. LIGHT & POWER (2)

FINANCIAL TRUSTS (83)

GAS (13)

INSURANCE (116)

INVEST. TRUSTS (243)

UNIT TRUSTS (8)

IRON, COAL AND STEEL (22)

MINES

Australian (9)

Miscellaneous (68)

Rhod. and E. African (8)

South African (63)

SHIPPING (33)

TEA AND COFFEE (2)

TELEG. AND TELEPHONE (—)

WATERWORKS (5)

West African (—)

Diamond (1)

OIL (105)

PROPERTY (134)

RUBBER (17)

Chersonese (F. M. S.) Estates (10p) 22½⊕
Consolidated Plantations (10p) 63⊕
Dunlop Plantations 6pcPf. 44½ (22/7)
East Asiatic Rubber Estates (5p) 54 (20/7)
Golden Hope Plantations (10p) 61⊕
Guthrie Corp. 178⊕ 9⊕ 31. 5½pcPf. 37½ (19/7). 9½pcLn. 50⊕
Highlands Lowlands Berhad (SMa0.50) 38
Holyrood Rubber 63⊕⊕ (22/7)
Kuala Lumpur Kepong Berhad (SMa1) 33½⊕ 4½

SPECIAL LIST

JULY 23

JULY 22

JULY 21 (Nil)

RULE 163 (1) (e)

JULY 20 (Nil)

JULY 19 (Nil)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

JULY 23

JULY 22

JULY 21

JULY 20

JULY 19

Bridge Oil 40
British Columbia Telephone £10⊕
Central Norseman Gold 130⊕
Cleveland Tin 40
Dupont £103
ICI (Aust. and New Zealand) 7¼pcDb. £75⊕
International Harvester $US31½⊕ ¾⊕
Jantzen Inc. £16½⊕
Kennecott Copper £28¼
Levi Strauss and Co. £34¼⊕
Martin Marietta Cpn. $US23⅞⊕
National Bank of Australia 285⊕

Oakbridge Secs. $US1.245⊕
Pancontinental £15¼⊕ ⅛
Peko Wallsend £5.90
Rhone Poulenc £14⅛
Selcast 47⊕
Stocks and Hldgs. 315
Swan Breweries 150
Swire Pacific A 152⊕
Welgedacht Exploration $US2.402⊕
Wheelock Marden A 39½

ERRATA

Skelly Oil at £71¼ should have been £70¾ (16/7/76)

(By permission of the Stock Exchange Council)

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (13)

COMMONWEALTHS (1)
Australia 6pc '74-76

LOANS (Misc.) (1)
U.S.M.C. 9pc 1982

AMERICANS (1)
Barnes

ENGINEERING (1)
Aluminium Corpn

INDUSTRIALS (3)
British Syphon, Watshams, Viners

PROPERTY (1)
Peachey

SHIPPING (1)
Lyle Shipping

MINES (4)
Tang. Concessions, Hampton Areas, A.M. & S., Ayer Hitam

NEW LOWS (77)

AMERICANS (1)
Int. Systems Controls

CANADIANS (1)
Seagrams

BANKS (5)
Alexanders Discount, Seccombe Marshall, Allen Harvey Ross, Lloyds & Scottish, Clive Discount

BEERS (2)
Amal. Dist. Prods., Distillers

BUILDINGS (16)
Bryant Hlds., Monk (A.), Fairclough (L.), Richards Wallington, Hewden Stuart 7pc Conv., SGB, Summers (D. C.), Jarvis (J.), Tarmac, Magnet & Southerns, UBM, Marley, Wettern Bros., Melville Dundas, Wimpey (G.), Milbury

CHEMICALS (1)
Carless Capel

STORES (2)
British Home Stores, S. U. Stores 25pc Pf.

ELECTRICALS (4)
Decca, Racal Elect., Pifco 'A', Wigfall (H.)

ENGINEERING (6)
Brockhouse, Jackson (J. & H. B.), CompAir, Martonair, Hill & Smith, TCK

FOODS (1)
Morgan Edwards

HOTELS (1)
Borel (J.)

INDUSTRIALS (11)
Aaronson Bros., Marks (A.), Allied Polymer, Smith & Nephew, Bodycote, Tilling (T.), Gieves, Toye, Hamilbourne, Whiteley (B. S. W.), Inter-City

MOTORS (1)
Heron 10pc Conv.

PAPER (1)
Assoc. Paper 9½pc Conv.

PROPERTY (2)
Beazer (C. H.), Countryside

TEXTILES (1)
Coats Paton

TOBACCOS (1)
Rothmans

TRUSTS (14)
Cap. & Natl. 'B', Manchester London, Alliance Inv., Pentland, Ashdown Inv., SPP, Brit. Ind. & Genl., Strand Scot. Inv., Cardinal Inv. Dfd., SPLIT Inc., Electra Inv., Tyneside Inv., M & G Cap., Tyndall Overseas

OILS (1)
Ultramar 7pc Conv.

OVERSEAS TRADERS (1)
Lonrho

MINES (4)
E. Rand Prop., New Wit., Anglo American, U.C. Inv.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	0	46	12
Corpns. Dom. and Foreign Bonds	2	2	60
Industrials	115	528	1,071
Financial and Prop.	34	217	320
Oils	6	11	20
Plantation	0	4	38
Mines	18	53	75
Recent Issues	7	9	30
Totals	182	870	1,626

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1976 high	1976 low
ICI	£1	80	358	−11	402	328
Manbre & Garton	50p	59	162	−10	181	122
BP	£1	51	595	+3	685	375
Shell Transport	25p	46	428	−4	482	378
Barclays Bank	£1	48	282	−1	350	265
Bats	25p	42	362	−18	410	342
GEC	25p	40	156	−6	168	142
Courtaulds	25p	39	122	−11	139	122
Marks & Spencer	25p	38	102	−3	108	88
Rank Org.	25p	38	160	−16	195	142
Cons. Gold Fields	25p	37	151	−5	220	146
GKN	£1	37	300	−5	360	266
RTZ	25p	37	207	−12	239	178
Grand Met.	50p	36	65	−4	88	58½
Midland Bank	£1	34	250	+3	320	250

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	12	358	—	402	328
GKN	£1	11	300	+3	360	266
Manbre & Garton	50p	10	162	−4	181	122
Shell Transport	25p	10	428	−4	482	378
Barclays Bank	£1	9	282	+2	350	265
Bats	25p	9	362	−6	410	342
Distillers	50p	9	132	−1	158	131
GEC	25p	9	156	−1	168	142
Marks & Spencer	25p	9	102	−1	108	88
Grand Met.	50p	8	65	−1	88	58½
Lonrho	25p	8	67	−2	109	67
Rank Org.	25p	8	160	−7	195	142
RTZ	25p	8	207	−3	239	178
House of Fraser	25p	7	83	−1	95	72
Unilever	25p	7	438	−2	500	428

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

Option Report—3-month Call Rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
July 20	Aug. 2	Oct. 14	Oct. 26
Aug. 3	Aug. 16	Oct. 28	Nov. 9
Aug. 17	Aug. 31	Nov. 11	Nov. 23

"Calls" were dealt in Premier Consolidated Oil, English Property, British Land, National Westminster Bank Warrants, Peachey Property, Charterhall Finance, Burmah Oil, Lonrho, Town and City, Dufay Bitumastic, London City and Westcliff, Leslie and Godwin and Burton Group, while "doubles" were arranged in English Property, National Westminster Bank Warrants, London City and Westcliff, Lonrho and Burton Group.

Industrials		Guardian	16	Spillers	7	Shell	37
		G.K.N.	25	Tesco	4	Ultramar	14
A. P. Cement	15	Hawker Sidd.	35	Thorn "A"	32		
Assoc. Leisure	5	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	20	Unilever	38	Anglo-Amer.	60
Beecham	28	"Imps"	7	Utd. Drapery	8	Charter Cons.	15
Boots Drug	12	I.C.L.	14	Vickers	15	Charter'll Fin.	4
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	15
B.A.T.	30	Legal & General	12	Woolworths	6	De Beers Def.	35
British Leyland	6	Lex Service	11			F. S. Geduld	350
BOC Int.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	8½	"Lots"	4	Brit. Land	5½	Hampton Areas	13
Cadburys	5	"Mams"	7	Cap. Counties	5	Hampton Prop.	4
Courtaulds	11	Marks & Spencer	8	E. P.	6	Ilool	100
Debenhams	8	Midland Bank	22	Int. Europ.	7	Lonrho	9
Distillers	15	Nat'l West Bank	20	Land Securities	14	Loraine	65
Dunlop	7½	"Do" Warrants	8½	MEPC	7	President	55
Eagle Star	11	P & O Dfd.	11	Peachey	5	Pres. Steyn	200
E.M.I.	17	Plessey	7	Samuel Props.	4½	Rio T. Zinc	17
Gen. Accident	12	R.H.M.	5	Town & City	2½	Welkom	55
Gen. Electric	15	Rank Org. 'A'	18			West Areas	40
Glaxo	65	Reed Int'l	23	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	16	Slater Walker	4	Burmah Oil	4½		

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley (0226 203232)	12¼	½-year	5,000	3-7
Barnsley (0226 203232)	11¾	½-year	250	3-7
Greenwich (01-854 8888)	11¾	½-year	1,000	4-7
Liverpool (051 227 3911)	11½	½-year	500	3-4
Liverpool (051 227 3911)	12	½-year	500	5-7
Oxford (0865 49811)	12¼	½-year	5,000	5-7
Poole (02013 5151)	11½	½-year	500	2-4
Reading (0734 55911)	11¾	½-year	1,000	2
Redbridge (01-478 3020)	12¼	½-year	1,000	4-5
Sandwell (021 569 2226)	12	½-year	1,000	3-5
Sefton (051 922 4040)	11½	½-year	2,000	2
Sefton (051 922 4040)	12	½-year	2,000	4-5
Southend (0702 49451)	11½	½-year	250	2-4
Wandsworth (01-874 6464)	12¾	½-year	5,000	5-7
Wandsworth (01-874 6464)	12¼	½-year	1,000	5-7
Wrekin (0952 505051)	12¼	yearly	2,000	3-5

U.K. CONVERTIBLE STOCKS 23/7/76

Statistics provided by *data STREAM international*

Name and description	Size (£m.)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.§	Income Diff.◊	Cheap(+) Dear(−)◊ Current
Alcan Aluminium 9pc Cv. 89-94	12.00	65.00	100.0	76-80	14.0	14.7						
Associated Paper 9½pc Cv. 85-90	1.40	70.00	200.0	76-85	13.6	14.6	25.0	13 to 30	37.0	45.8	15.6	− 9.4
Bank of Ireland 10pc Cv. 91-96	10.25	116.00	35.7	77-90	8.9	8.5	16.0	10 to 27	53.5	62.0	8.4	− 7.6
BPB 7¾pc Cv. 89-94	4.89	80.00	62.00	72-80	10.0	10.6	6.6	− 2 to 24	19.6	24.0	5.8	− 0.8
English Property 6½pc Cv. 98-03	8.84	110.00	234.0	76-80	6.0	5.8	− 9.6	−15 to 5	27.7	17.9	− 8.0	+ 1.6
English Property 12pc Cv. 00-05	15.31	103.00	150.0	76-84	12.0	12.0	32.1	30 to 63	30.1	55.6	32.7	+ 0.6
Grand Metropolitan 10pc Cv. 91-96	123.99	84.00	120.2	73-78	12.4	12.6	5.1	− 2 to 22	12.5	13.6	1.4	− 3.7
Hanson Trust 6½pc Cv. 88-93	4.51	85.00	57.1	76-86	7.8	8.4	18.1	15 to 19	31.2	34.5	4.6	− 13.4
Hewden-Stuart 7pc Cv. 1995	0.72	120.00	336.0	75-95	5.8	5.3	8.2	−19 to 8	65.5	44.6	−18.9	− 27.1
Lyons, J. 7½pc Cv. 1981	3.60	76.00	22.7	75-81	9.9	14.8	280.0	183 to 284	10.3	26.4	80.3	−199.7
Slough Estates 10pc Cv. 87-90	5.50	134.00	125.0	78-87	7.5	5.8	27.6	22 to 28	24.8	53.6	27.4	− 0.2
Tozer, Kemsley 8pc Cv. 1981	7.23	94.00	153.8	74-79	8.7	9.9	7.2	− 1 to 34	13.6	19.5	6.8	− 0.4
Wilkinson Match 10pc Cv. 83-88	11.10	83.50	40.0	76-83	12.1	12.3	38.2	37 to 56	25.5	43.5	20.8	− 8.4

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent. per annum and is present valued at 12 per cent. per annum. ◊ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent. per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

[BU]ILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Subp'n Shares	Variable Term Shares
[...] National	6.25%	6.50%	7.75%	●7.00%
[...]	6.25%	6.50%	7.75%	‡7.75%
[...]	6.25%	6.50%	7.75%	‡7.25%
[...]ham Incorporated	6.25%	6.50%	7.75%	—
[...]d and Bingley	6.25%	6.50%	§7.75%	§7.25%
[...] and West	6.25%	6.50%	7.50%	—
[...] Economic	6.25%	6.50%	8.00%	†6.75%
[...]ia	6.25%	6.50%	7.75%	‡‡7.25%
[...]	6.25%	6.50%	7.75%	‡‡7.25%
[...]	6.25%	7.00%	8.00%	—
[...]	6.00%	■6.80%	7.50%	—
[...]	6.25%	6.50%	8.25%	†6.75%
[...]ham and Gloucester	6.25%	6.50%	—	‡7.25%
[...] Regency	6.25%	6.80%	8.25%	—
[...] London	7.00%	7.25%	8.25%	—
[...]d Metropolitan	6.25%	6.75%	7.00%	*7.50%
[...]ry Economic	6.25%	6.50%	8.25%	§§7.25%
[...]ure	6.25%	6.50%	7.75%	□6.90%
[...]y	6.25%	6.50%	7.75%	‡7.25%
[...]ich	6.00%	7.10%	8.50%	—
[...]n	6.25%	6.75%	7.00%	‡7.20%
[...]	6.25%	6.50%	7.75%	‡7.25%
[...]s and Thanet	6.25%	6.50%	7.75%	♦7.25%
[...] of Oak & Enfield	6.25%	6.70%	8.00%	—
[...]	6.75%	7.00%	—	*7.50%
[...]ton Spa	6.37%	6.63%	8.75%	7.00%
[...] Permanent	6.25%	6.50%	8.25%	—
[...]	6.25%	6.50%	7.75%	**7.25%
[...]ol	6.25%	6.50%	7.80%	*7.00%
[...] & Planet	6.25%	6.50%	7.75%	‡7.25%
[...]gton Permanent	5.90%	7.50%	—	—
[...] Counties	6.50%	6.75%	7.75%	‡7.25%
[...]wide	6.25%	6.50%	7.00%	♦7.75%
[...]tic Permanent	6.25%	**6.50%	7.00%	7.50%
[...] London	7.00%	●8.00%	—	—
[...]rn Rock	6.25%	6.50%	8.00%	♦7.25%
[...]h	6.25%	6.50%	8.00%	—
[...]	6.75%	7.00%	8.25%	‡‡7.50%
[...]ty Owners	6.25%	7.00%	8.00%	‡7.75%
[...]cial	6.25%	6.50%	7.75%	7.25%
[...]n	6.25%	6.50%	7.75%	**7.25%
[...] Mutual	6.50%	●6.75%	—	—
[...] and Country	6.00%	6.50%	10.00%	♥7.50%
[...]ch Equitable	6.25%	6.50%	7.75%	‡7.25%

[...]mum £2,000 6 mths. notice. [...] 3 mths. [...] 3 yrs. [...] 3 yrs. [...] bonus. [...] £500 2 yrs. fixed. [...] 4th issue 2 yrs. ● Min. [...] over 2 yrs. 7.25% over £3,250. **7.00% over £5,000. [...] 2-3 [...] 2 yrs. [...] 7.00% 3 mths. notice after 9 mths. [...] 2 yrs. [...] min. [...] £100 2 yrs. fixed. [...] Min. £1,000 6 mths. notice. [...] over £3,000. [...] £3,000 and over 7.00%. ‡ Min. £1,000 3 [...] notice. □ Min. £5,000 3 mths. notice. ■ 7.05% over £5,000. [...] £500-£10,000. ♦ 3 yrs. min. £100. ● 2 yrs. £250-£10,000. ♦ Min. £5,000. ♥ 2 yrs. £1,000-£10,000.

STOCK EXCHANGE REPORT

Markets retreat on disappointment with spending cuts

Share index down 4 points at 378.4—Bank shares feature

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 12	July 22	July 23	Aug. 3
July 26	Aug. 5	Aug. 6	Aug. 17
Aug. 9	Aug. 19	Aug. 20	Sep. 1

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

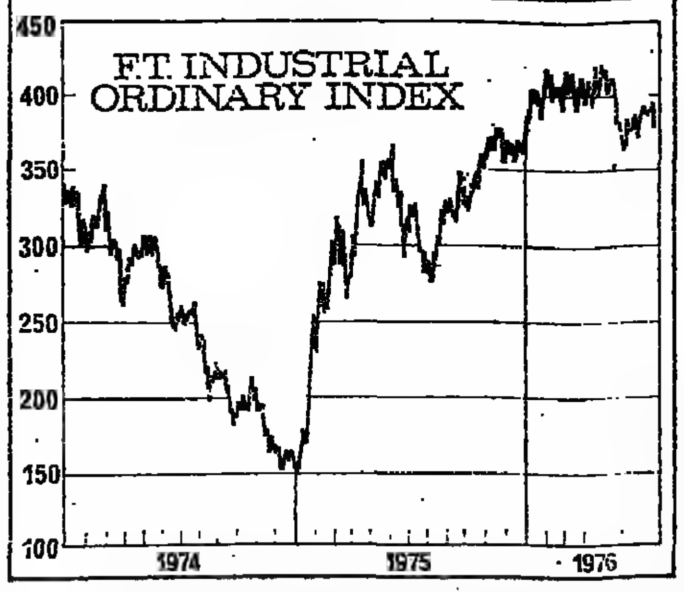
Disappointment with the Chancellor's proposals for reducing public spending programmes, and especially with the unexpected imposition of an extra £910m. on employers' National Insurance contributions, led to a further general reaction in equity shares yesterday. Gilt-edged, taking their cue from sterling, also saw small, but widespread falls, and the Government Securities index closed 0.17 down at 62.31 for a loss of 0.38 on the week. Gold shares were again easier in line with a modest fall in the bullion price.

There was little selling pressure on leading equities, which retreated on a continuation of the general lack of interest in recent weeks; official markings of 4,460 were the lowest of the week. The F.T. 30-share index, which touched its lowest of the day at 2 p.m. with a loss of 4.7, closed 4 points down on balance at 378.4, making a fall of 12.6 on the week and one of 8.3 on the Account. Insurance and Building issues fared relatively little worse than the rest, having recovered from an earlier mark-down on the moves to recoup the full NHS cost of treating road accident cases and the proposed cut-backs in council spending, local authority mortgage lending and road building.

Banks provided some relief, with Midland and Lloyds reversing earlier falls to close with net gains of 8 and 7 respectively following half-time figures much better than generally expected. The overall dullness, however, was well illustrated by the 9.2 ratio of falls over rises in F.T.-quoted Industrials. The F.T.-Actuaries All-Share index lost 1.1 per cent. to 156.65, for a fall of 2.7 per cent. on the week.

With the proposed Government expenditure cuts still leaving the outlook for Gilts uncertain, there was little incentive to trade in this market yesterday. Following sterling's trend, short-dated issues drifted off to close with falls ranging to ¼ and losses in the mediums and longs extended to ½. Interest was again mostly confined to the long "tap," Exchequer 13¼ per cent., 1996, which shed ¼ to 95.

After a quiet start in which the premium held fairly steady, the investment currency market encountered renewed arbitrage selling on an increased scale in the afternoon; the institutions became reluctant to buy while the premium remained above the 100 per cent. mark and the rate retreated to close 3½ points lower at the day's worst of 101¾ per cent. Yesterday's SE conversion factor was 0.7185 (0.7106). Antofagasta Railway improved a point to £11 on consideration of the profits advance.



Lloyds and Midland

Banking dealers welcomed the start of the interim dividend season yesterday as it resulted in their busiest day for some time. In the course of a brisk two-way trade, Midland eased to 270p in front of the interim figures, but rallied strongly on the much better-than-expected profits statement to finish 8 higher on the day at 280p, after 282p. Lloyds also emerged with first-half profits some 14 per cent. higher than market estimates and the shares rebounded from 220p to close 7 dearer at the day's best of 232p. Barclays (interim due next Thursday), picked up from 275p to close 2 better on balance at 282p. National Westminster, however, who report half-year figures next Tuesday, failed to attract much attention and ended 2 off at 228p, after 225p. Discounts continued to be overshadowed by Wednesday's bearish interim statement from Union down 2 more at 308p. In thin markets, Allen Harvey and Ross and Seccombe Marshall and Campion both lost 10 to 350p and 210p respectively. Cater Ryder shed 5 to 235p and Alexanders receded 3 more to 190p. Slight disappointment that the Hambro Life issue was just 1½ times oversubscribed (dealers were looking for 2 to 2½ times oversubscription) selling developed in Hambros which touched 193p before closing 6 down on balance at 197p.

Marked down a few pence at the outset following the Chancellor's move to recoup for the National Health Service the costs of motoring accidents, Insurance Composites picked up in places as the day progressed, but still closed a shade lower for choice. Elsewhere, Pearl shed 10 to 200p.

Breweries eased throughout the list on small selling and lack of support. Bass Charrington led the retreat at 100p, down 4 while Arthur Guinness, 131p, gave up 2. Elsewhere, Distillers turned down a penny to 132p, after 131p. Amalgamated Distilled Products touched a 1976 low of 19p on the lower profits but rallied late to close unchanged on the day at 20p.

In Buildings, R. Costain closed 5p off at 138p, while Tarmac, also 138p, L. Fairclough, 166p, John Mowlem, 75p, and SGB, 73p, all closed 4 cheaper. Marchwiel eased 3 to 88p as did A.P. Cement to 152p. Burt Boulton, at 166p, however, regained all and more of the previous day's fall of 5 which followed the interim report.

ICI ended unchanged at 338p, after 336p. Fisons declined 8 to 355p.

Philips' Lamp erratic

Philips Lamp had a rather erratic day on investment premium influences, closing a net 5 down at 860p, after initially touching 887p. Elsewhere, leading Electricals tended to soften. Plessey, however, closed unaltered at 74p, after 75p, following the previous day's reaction of 4 on the disappointing first-quarter results. Decca slipped 8 to 218p and the "A" 6 to 206p, while Racal Electronics lost 5 to 204p. But the sharply better first-half profits left Rotaflex (Great Britain) a penny firmer at 30p.

Stores drifted lower. British Home Stores eased 5 to a 1976 "low" of 160p, while Marks and Spencer, 102, and Debenhams, 81p, gave up 1 and 2 respectively. "Gussies" 'A' ended 2 cheaper at 187p despite a favourable Press reception of the preliminary figures. Mothercare were lowered 4 to 194p, while losses of 3 were sustained by Allied Retailers, 93p, and H. Samuel 'A,' 125p. Hepworth 'B' shaded 2 to 32p as did NSS Newsagents to 32p. Mail Orders were also out of favour. Empire Stores receding 2 to 90p and Freemans (London) losing 3 to 159p.

GKN resisted the easier trend in Engineerings when speculation that the group's bid for the German Sachs concern, which had been blocked by the German cartel office in May, will eventually go through helped the shares touch 312p; news that GKN had purchased a near 25 per cent. stake in Sachs for a consideration of £23.9m. cash brought about a slight reaction but the shares still closed 3 better on balance at 309p. Hawker, on the other hand, succumbed to end-Account selling and lost 8 to 430p, while John Brown and Vickers were both 3 lower at 102p and 169p respectively. Press comment on the results led to a fall of 7 to 126p in Davy International. In irregular Shipbuildings, Swan Hunter lost 2 to 45p; the results are due next Thursday.

Manbre and Garton continued to dominate proceedings in Foods, closing 4 cheaper at 102p, after 136p, a loss on the week of 16 in the absence of an offer from Tate and Lyle, a penny harder at 241p. Unigate finished a penny easier at 47p despite better-than-expected preliminary figures, while Fitch Lovell shaded 2 to 53p ahead of next Thursday's preliminary figures. Hotels and Caterers had an easier bias, Grand Metropolitan easing a penny to 63p and Ladbroke losing 1½ to 94p. Reflecting Overseas advices, J. Borel declined five points to £33½.

Rank recede

Miscellaneous Industrial leaders tended to close slightly easier. However, Rank Organisation on U.S. influences and end-Account book squaring, registered a loss of 7 at 180p, while Reckitt and Colman were similarly cheaper at 343p and Bowater lost 4 to 185p. The Australian Broken Hill Proprietary improved 5 at 805p despite the profits contraction. Elsewhere, Watsham's put on 2 to a peak for the year of 120p following the sharply higher profits. The half-year report left United Guarantee ¼ harder at 8p. Alfred Clough receded 6 to 47p and Development Securities 12 to 358p.

Motors and Distributors had little to commend them. Dowty gave up 2 more at 152p on further profit-taking following the preliminary figures. Automotive Products cheapened 2 to 54p as did Armstrong Equipment to 74p. Garages were notable for a late flurry of activity in British Car Auction, which closed a shade better at 52p.

Apart from Mills and Allen, up 3 at 36p on renewed speculative support, Newspapers and Papers drifted easier in quiet trading. McCorquodale shed 3 to 162p, while Tridant Group, 36p, and Geers Gross, 39p, both closed 2 cheaper.

Wingate Invs. advance

Property leaders spent another quiet day, but managed to finish a shade firmer following some buying for the new Account. Land Securities, 166p, and MEPC, 71p, after 69p, both showed net gains of a penny. Elsewhere, Wingate Investments enlivened proceedings with an advance of 9¼ to 33¼p in response to the 35p cash offer from George Wimpey, which lost 3 to 41p. Regional Properties, 42p, and "A," 39½p, rallied 2 and 1 more respectively, while Lynton Holdings, a recent firm spot on the profits advance, showed a fresh improvement of 2 at 82p. Great Portland Estates, however, receded 6 to 228p.

Oil leaders reverted to a downward tack yesterday in further thin trading. The recent recovery movement in British Petroleum came to an end and the shares declined 3 to 595p. Shell Transport lost 4 to 428p and Royal Dutch, on the weak investment premium, shed ¾ to £37¼. Ultramar receded 4 to 128p and Burmah were a penny easier at 44p.

Harrisons and Crosfield resisted the easier tendency in Overseas Traders and closed 13 firmer at 500p. Ocean Wilsons reacted 2 to 134p, although leaving a rise of 11 on the week on speculative demand. Sena Sugar closed ½ cheaper at 5½p following the loss for the year.

Still upset by the recent disappointing results and substantial write-down in asset values, Rothschild fell away again in Trusts, losing 5 more to 230p for a decline of 17 on the week. Estates House cheapened 5 to 197p on a dribble of selling, but a spate of renewed speculative buying helped Chaddesley Investments rise 2½ to 16p.

Reardon Smith took a turn for the worse in Shippings, the Ordinary losing 10 to 200p, after 198p, and the "A" 4 to 65p, after 60p, on end-Account profit-taking. P and O Deferred shed 2 to 100p as did Ocean Transport, to 137½p.

With sentiment still unsettled by the chairman's warning on profits at the AGM, Courtaulds continued easier and receded 2 more to 123p for a decline of 11 on the week. Elsewhere in dull Textiles, Worth (Bond) gave up 3 more to 34p as did Tomkinsons to 49p.

Poor week in Golds

South African Gold shares ended another poor week on a quiet note following the continued decline of the bullion price, which closed 50 cents down at $111.125 per ounce, making a week's loss of $6.

Shares did little more than drift on lack of interest and took little notice of the modest hardening in bullion at the afternoon fixing. The Gold Mines index fell a further 2.7 to 113.0—a fall of 7 points over the week and a two-week retreat of nearly 30 points.

Overseas-based Financials gave further ground reflecting the weakness of Golds coupled with concern over political and civil unrest in Southern Africa. The London-based stocks moved lower in line with U.K. Industrials.

In Coppers, Messina hardened 2 to 90p; the shares have risen 9 over the week owing to Cape buying. ZCI, however, were 2 off at 29p. Platinums lost a few pence but were still generally higher over the week. A feature in Tins was the weakness of [illegible] which slumped [illegible] to 223p following modestly to close [illegible] 20 lower at 235p on the withdrawal of eligibility for [illegible] from private mining [illegible].

Australians moved ahead in response to the overnight [illegible] home markets. Australian [illegible] and Smelting rose 11 to a high of 240p. Elsewhere, [illegible] put on 8 to 173p on further consideration of the [illegible] for Elbar Industries.

FINANCIAL TIMES STOCK INDICES

	July 23	July 22	July 21	July 20	July 19	July 16	A year ago
Government Secs.	62.31	62.48	62.38	62.61	62.65	[illegible]	[illegible]
Fixed Interest	62.17	62.17	62.24	62.49	62.29	[illegible]	[illegible]
Industrial Ordinary	378.4	382.4	382.3	386.9	387.8	391.0	[illegible]
Gold Mines	113.0	117.7	121.9	108.6	115.8	112.6	[illegible]
Ord. Div. Yield	5.82	5.77	5.75	5.72	5.69	5.65	[illegible]
Earnings Y'ld % (full)	16.94	16.80	16.79	16.71	16.17	16.05	[illegible]
P/E Ratio (net)	8.74	8.86	8.87	9.17	9.17	9.29	[illegible]
Dealings marked	4,460	4,515	4,611	4,861	5,128	5,090	[illegible]
Equity turnover £m.	—	36.10	46.24	39.78	32.58	49.59	[illegible]
Equity bargains total	—	9,535	10,578	10,634	10,646	12,143	[illegible]

[illegible]

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21	60.19	127.4	49.18
Fixed Int.	64.43	59.75	150.4	50.53
Ind. Ord.	420.8	364.7	543.6	49.4
Gold Mines	246.9	108.3	442.3	43.5

S.E. ACTIVITY

[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Group	Fri. July 23 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net)	Est. P/E Ratio	Thurs. July 22	Wed. July 21	Tues. July 20	Mon. July 19	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	142.45	1.4	17.13	6.39	8.80	8.71	144.41	144.64	145.65	146.15	107.84	160.06	137.18	266.67	50.17
2	Building Materials (30)	123.91	-1.5	16.02	7.46	9.47	9.46	125.82	125.50	126.46	127.65	89.66	150.18	121.77	253.84	44.27
3	Contracting, Construction (23)	181.06	-3.1	21.24	6.08	7.43	7.43	186.81	186.74	187.40	188.12	187.89	260.20	181.06	389.56	71.48
4	Electricals (16)	266.17	-1.6	16.55	4.99	9.02	8.77	270.45	272.59	276.05	276.56	207.49	287.50	245.72	450.04	86.71
5	Engineering (Heavy) (13)	175.80	2.2	22.56	6.98	6.91	6.91	179.63	179.69	180.16	178.15	131.23	193.18	161.88	208.87	94.43
6	Engineering (General) (63)	155.05	-0.8	17.44	6.74	8.52	8.52	154.10	154.36	154.88	155.29	94.26	149.29	125.48	168.69	46.14
7	Machine and Other Tools (9)	58.84	-1.2	17.90	7.53	9.44	8.42	59.57	59.57	59.59	59.75	37.96	60.62	51.19	136.70	19.96
8	Miscellaneous (25)	151.18	-0.8	14.34	6.51	10.60	10.39	152.21	151.63	152.53	155.08	98.20	141.94	121.63	177.41	49.65
9	CONSUMER GOODS (DURABLE) (33)	133.32	-1.4	17.49	5.38	8.55	8.53	134.95	124.94	135.91	135.54	80.92	141.46	116.86	227.78	58.59
10	Lt. Electronics, Radio TV (15)	155.49	-1.9	16.07	4.52	9.17	9.16	156.04	156.51	157.92	158.28	94.71	160.55	128.75	257.41	42.65
11	Household Goods (13)	157.36	-0.8	20.25	7.60	7.55	7.54	159.05	158.09	161.05	161.41	125.22	187.22	156.67	265.22	65.92
12	Motors and Distributors (25)	79.41	-0.9	18.69	6.60	8.16	8.11	80.12	79.89	79.90	80.65	42.35	85.16	70.06	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (168)	145.44	-1.5	14.66	6.54	10.34	10.20	147.56	146.69	148.38	149.15	118.75	162.24	138.95	228.08	61.41
14	Breweries (15)	163.40	-1.8	14.41	6.97	10.59	10.59	166.45	165.65	167.02	167.64	152.25	179.45	147.99	261.87	69.47
15	Wines and Spirits (7)	161.77	-1.5	11.78	6.76	12.99	12.99	163.98	162.89	162.89	163.96	153.13	190.67	161.77	257.40	78.71
16	Entertainment, Catering (14)	172.40	-1.5	14.10	7.72	10.85	10.85	174.98	174.59	176.10	176.08	136.67	211.26	158.17	329.99	64.87
17	Food Manufacturing (22)	159.58	-0.6	16.57	5.54	9.19	9.19	160.55	159.86	160.51	161.18	126.55	179.44	157.26	211.66	59.78
18	Food Retailing (16)	131.45	-1.4	13.52	5.66	10.81	10.81	133.25	132.75	134.05	134.91	115.36	150.05	126.86	235.08	64.26
19	Newspapers, Publishing (16)	176.76	-0.6	11.92	5.95	12.90	12.90	177.69	177.61	178.41	176.88	121.29	184.34	157.01	250.29	65.06
20	Packaging and Paper (12)	100.58	-1.8	16.23	7.51	9.48	9.48	102.51	102.00	102.73	103.22	81.78	112.60	94.92	155.69	43.46
21	Stores (34)	120.16	-1.4	12.57	5.82	12.25	12.23	121.86	130.88	122.57	122.61	101.38	136.24	113.17	204.59	52.63
22	Textiles (23)	144.63	-3.4	10.84	7.94	13.32	10.95	148.12	147.85	152.73	153.88	120.34	163.19	141.90	253.72	62.66
23	Tobaccos (3)	221.60	-1.1	19.68	6.41	7.75	7.75	224.07	223.18	228.00	230.76	180.55	241.89	211.56	339.16	54.34
24	Toys and Games (6)	78.04	-0.4	19.33	7.87	6.93	6.89	78.35	78.15	78.18	78.23	40.79	80.93	69.15	135.72	20.92
	OTHER GROUPS (96)															
25	Chemicals (26)	212.19	-1.2	11.93	6.31	11.74	11.74	214.87	213.04	216.67	217.45	158.15	231.38	199.46	281.38	71.20
26	Office Equipment (9)	90.89	-1.8	12.88	5.72	11.46	11.46	92.57	92.15	93.97	95.80	74.74	100.18	86.09	246.06	45.34
27	Shipping (12)	379.67	-1.6	15.11	6.78	11.07	10.06	386.00	381.58	385.67	383.45	325.61	458.64	356.52	617.00	90.80
28	Miscellaneous (49)	150.71	-1.6	14.92	7.67	9.99	9.98	152.96	152.18	153.56	154.38	128.93	172.98	148.45	256.83	60.39
29	INDUSTRIAL GROUP (496)	149.90	-1.3	14.93	6.24	10.00	9.90	151.94	151.39	153.04	153.74	117.49	165.38	143.68	230.17	59.01
30	OILS (4)	355.94	-0.9	12.02	4.61	9.61	8.90	359.10	356.79	355.99	366.28	276.40	395.84	331.54	431.66	87.23
31	500 SHARE INDEX	166.88	-1.3	14.46	5.98	9.84	9.73	169.02	168.53	169.67	170.49	130.65	185.00	161.90	227.96	63.49
32	FINANCIAL GROUP (100)	128.60	-0.4	—	5.80	—	—	129.08	126.16	130.58	131.25	116.94	153.46	118.54	241.41	55.88
33	Banks (6)	158.33	+1.2	19.57	5.55	7.86	7.86	166.35	154.67	158.09	159.06	133.37	192.16	146.56	388.32	62.44
34	Discount Houses (10)	148.91	-4.0	—	9.29	—	—	150.34	151.84	157.32	159.59	141.87	186.52	147.90	293.13	81.40
35	Hire Purchase (5)	87.74	-1.4	—	7.40	—	—	88.99	89.07	92.11	92.11	80.61	152.10	87.74	433.72	38.83
36	Insurance (Life) (9)	105.89	-1.4	—	6.68	—	—	108.37	106.86	108.47	109.03	99.38	129.46	95.91	194.46	44.88
37	Insurance (Composite) (7)	99.69	-0.8	—	7.03	—	—	100.74	100.72	101.96	102.48	98.37	119.75	92.03	155.76	43.96
38	Insurance Brokers (9)	240.98	-0.6	10.24	4.60	14.45	14.43	242.45	239.86	245.15	250.25	182.66	276.90	218.26	276.90	65.86
39	Merchant Banks (16)	72.49	-1.1	—	7.71	—	—	73.30	73.10	73.26	73.65	78.79	93.83	69.72	278.57	31.21
40	Property (32)	166.67	-1.2	3.58	3.27	58.45	65.21	168.77	167.18	170.33	171.66	147.34	194.57	144.37	357.40	56.01
41	Miscellaneous (6)	70.06	-1.1	18.30	8.61	8.45	8.45	70.86	70.28	70.81	70.08	65.79	91.98	68.44	303.15	33.29
42	Investment Trusts (50)	147.66	-1.6	3.61	5.15	28.67	28.67	149.26	149.82	150.92	151.86	148.71	184.55	141.96	245.79	71.63
43	ALL-SHARE INDEX (650)	156.65	-1.1	—	5.91	—	—	158.45	157.74	159.24	160.08	127.89	172.64	150.59	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	478.24	-0.4	9.48	5.84	15.40	14.06	480.01	480.45	480.35	483.30	404.48	525.40	404.67	555.37	84.68
45	Teas (8)	137.58	-0.2	30.62	8.61	4.48	4.28	137.83	137.83	138.56	138.92	100.43	142.43	117.89	142.43	59.72
46	Coppers (3)	221.36	+0.3	44.64	7.76	2.24	2.24	220.69	220.69	224.51	238.93	354.60	301.47	178.95	567.78	94.08
47	Mining Finance (11)	95.84	-0.9	10.88	5.23	10.34	10.27	96.75	98.15	96.41	98.68	120.30	119.77	86.18	175.90	66.51
48	Tins (8)	117.96	+0.5	10.92	7.68	13.74	15.04	117.39	118.83	119.14	118.82	91.19	119.14	86.09	135.43	54.83
49	Overseas Traders (13)	219.32	-0.4	15.53	4.44	8.56	8.55	220.04	219.36	219.93	220.64	202.48	254.47	217.63	254.47	97.37

	FIXED INTEREST	Fri. July 23 Index No.	Yield %	Thurs. July 22	Wed. July 21	Tues. July 20	Mon. July 19	Fri. July 16	Thurs. July 15	Wed. July 14	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.99	13.98	13.98	13.97	13.96	13.95	13.94	13.94	13.89	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.84	13.51	49.11	48.92	49.15	49.17	49.20	49.24	49.06	50.39	53.45	47.56	115.48	33.27
3	20-yr. Red. Deb. & Loans (15)	50.80	14.66	50.82	50.82	50.82	50.66	50.39	50.25	50.25	48.01	62.40	46.68	113.45	37.01
4	Investment Trust Prefs. (15)	49.31	14.04	49.31	49.31	49.36	49.26	49.50	49.45	49.45	46.99	51.23	45.43	114.41	34.45
5	Coml. and Indl. Prefs. (20)	68.62	13.66	68.73	68.72	68.73	68.97	68.95	68.78	68.86	66.62	71.97	62.76	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	[illegible]	[illegible]			
Industrial Group	[illegible]	[illegible]			
Miscellaneous Financial	[illegible]	[illegible]			
Food Manufacturing	[illegible]	[illegible]			

† Redemption yield. FT-Actuaries Indices are calculated by Extel Computing Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries indices is obtainable from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in [illegible] with quarterly highs and lows. Dividend and earnings figures are also included.

MONEY + EXCHANGES

Bill rate higher

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

The Treasury bill rate rose by 0.0189 per cent. to 10.8874 per cent. at yesterday's tender and Bank of England Minimum Lending Rate was unchanged at 11½ per cent. The minimum accepted bid was unchanged at £97.29, and bids at that level were met as to about 87 per cent. The £500m. bills tendered and allotted attracted bids of £881.82m. and all bills offered were allotted. Next week £600m. will be on offer replacing maturities of £530m.

Day-to-day credit was in very short supply in the London money market, and the authorities gave an extremely large amount of assistance, by buying a very large number of Treasury bills and local authority bills from the discount houses, and by lending a small amount over the week-end to one or two houses, at Bank of England Minimum Lending Rate. Banks carried forward surplus balances from Thursday, but this was outweighed by a net market take-up of Treasury bills, an excess of revenue payments to the Exchequer over Government disbursements, and an increase in the note circulation.

Discount houses paid around 10¾-11 per cent. for secured call loans in the early part, and closing balances were taken at 10-11 per cent.

Rates in the table below are nominal in some cases.

July 23 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ф	Bank Bills ф	Fine Trade Bills ф
Overnight	—	10⅛-11¼	—	—	—	11½	10-11⅛	—	—	—
2 days notice	—	—	11⅛-11¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	11⅛-11⅜	11¼-11⅜	—	11⅜-11½	—	11-11⅛	—	—	—
One month	11¼-11⅛	11⅛-11⅜	11¼	11⅛-11	11⅜-11⅝	—	10¾-11	10⅞-10[illegible]	11[illegible]-11[illegible]	11[illegible]-11[illegible]
Two months	11¼-11⅛	11⅛-11[illegible]		11⅛-11	11⅜-11¼	—	10¾-10⅞	10[illegible]	11[illegible]-11	11[illegible]-11[illegible]
Three months	11[illegible]-11[illegible]	11[illegible]-11⅜	11¼-11⅜	11⅛-11	11⅜-11¼	—	10¾	10⅞-10[illegible]	11-10[illegible]	11[illegible]-11[illegible]
Six months	11⅛-11⅜	11⅜-11[illegible]	11⅜	11-10⅞	11⅜-11⅞	—	—	—	10⅞	11[illegible]-11[illegible]
Nine months	11⅜-11[illegible]	11[illegible]-11[illegible]	—	11⅛-11	11¾-12	—	—	—	—	—
One year	11[illegible]-11[illegible]	11[illegible]-11[illegible]	11⅞-12	12-11½	11⅞-12⅛	—	—	—	—	—
Two years	—	—	12⅜-12[illegible]	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13-13½ per cent.; four years 13½-13¾ per cent.; five years 13½-13¾ per cent. ф Bank bill rates in table are buying rate for prime paper. Buying rates for four-month bank bills 10 15/16 per cent.; four-month trade bills 11¾-11½ per cent. Approximate selling rate for one-month Treasury bills 10 21/32-10 19/32 per cent.; two-month 10¾-10 23/32 per cent.; and three-month 10 15/16 per cent. Approximate selling rate for one-month bank bills 11 1/16-11 per cent.; two-month 11-10 15/16 per cent.; and three-month 10 15/16-10¾ per cent.; one-month trade bills 11¾-11½ per cent.; two-month 11¾-11½ per cent.; also three-month 11¾-11½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 11 per cent. from July 1, 1976. Clearing Bank Deposit Rate for small sums of seven days' notice 6½ per cent. Clearing Bank Base Rate for lending 11½ per cent. Treasury Bill average tender rate of discount 10.8874 per cent.

EXCHANGES AND BULLION

Sterling closed slightly weaker against the U.S. dollar in the foreign exchange market yesterday, at $1.7815-1.7825, a fall of 15 points on the day. Trading was fairly quiet and there has been no sharp reaction either way to the Government's public spending cuts for the next financial year. The pound opened at $1.7830-$1.7840, and touched a low point of $1.7800-1.7810, where there may have been small support from the authorities.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to 38.5 per cent. from 38.4 per cent., and stood at 38.5 per cent. at noon and in early dealings.

The dollar was generally firmer against other major currencies, and its trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, narrowed to 1.84 per cent. from 1.86 per cent.

The Belgian franc improved slightly however, helped by an increase of 1 per cent. in Belgian Bank Rate to 8 per cent., and rose above its lowest limits within the European joint float agreement.

The French franc lost ground, with its trade-weighted depreciation, on the Morgan Guaranty basis, widening to 0.84 per cent. from 0.56 per cent.

Gold fell $½ to close at $110¾-$111¼. Business was quieter than in the past few days.

EXCHANGE CROSS-RATES

July 23	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. York	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
Am'rd'm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

U.S. $ in Montreal, U.S. $=97.30-97.33 Canadian cents. Canadian $ in New York, U.S. $=102.52-102.56 U.S. cents. U.S. $ in Milan [illegible]. Sterling in Milan [illegible]. * Rates for July 22.

EURO-CURRENCY INTEREST RATES*

July 23 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rates: two-day [illegible] per cent.; seven-day [illegible] per cent.; one month [illegible] per cent.; three-month [illegible] per cent.; six-month [illegible] per cent.; one year [illegible] per cent.

Long-term Eurodollar deposits: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month [illegible] per cent.; three-month [illegible] per cent.; six-month [illegible] per cent.; one year [illegible] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

FOREIGN EXCHANGES

July 23 1976	Bank rate %	Day's spread	Close
New York	[illegible]	1.7800-1.7845	1.7815-1.7825
Montreal	[illegible]	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

* Basic discount. † Rates given are for convertible francs. Financial franc [illegible].

OTHER MARKETS

[illegible]

FORWARD RATES

	One Month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward dollar [illegible]; 12-month [illegible].

BASE LENDING RATES

[illegible]

CORAL INDEX

Close 376-381

I.G. INDEX 01-351 [illegible]

DECEMBER SOYA BEAN [illegible]

INSURANCE BASE RATES

† Atlantic Assurance [illegible]

Cannon Assurance [illegible]

[illegible]

GOLD MARKET

[illegible]

SPECIAL DRAWING RIGHTS RATES

[illegible]

AUTHORISED UNIT TRUSTS

Brandts Ltd.

Bridge Talisman Fd. Mgrs.

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd.

Charterhouse Japhet

Confederation Funds Mgt. Ltd.

Cosmopolitan Fund Managers.

Coyne Investment Mgmt. Ltd.

Crescent Unit Tst. Mgrs. Ltd.

Discretionary Unit Fund Managers

Equitas Secs. Ltd.

Equity & Law Un. Tr. M.

Framlington Unit Mgt. Ltd.

Friends' Provdt. Unit Tr. Mgrs.

G.T. Unit Managers Ltd.

G. & A. Tst. (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.

Intel.

Ionian Unit Tst. Mngmnt. Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

J. & C Unit Trust Management Ltd.

Lawson Securities Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

London Wall

M & G Group

ManuLife Management Ltd.

Mercury Fund Managers Ltd.

Midland Bank Gp. Un. Tst. Mgrs. Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mgemnt. Ltd.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

New Court Fund Managers Ltd.

Norwich Union Insurance Group

Oceanic Managers

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Piccadilly Unit T. Mgrs. Ltd.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Unit Tst. Mngrs.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild & Lownds Mgmt.

Rowe & Pitman Management Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group Ltd.

Save & Prosper Securities Ltd.

Scotbits Securities Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd.

Security Selection

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mgrs. Ltd.

Slater Walker Tst. Mgmt.

Target Tst. Mgrs. (Scotland)

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Trident Trusts

Tyndall Managers Ltd.

Tyndall Nat. and Comm.

TSB Unit Tst. Managers Ltd.

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

REGIONAL MARKETS

2·5% LAWSON HIGH YIELD

Gross p.a.

INVEST BY 31st JULY FOR NEXT QUARTERLY PAYMENT

UNITS 41.6 p ACCUM UNITS 49.4 p (OR THE DAILY PRICE IF LOWER)

FIRST ISSUED 22.6.74 AT 33.3p

The High Yield Fund aims to give investors the highest return possible from their savings by investing in a High Yielding Ordinary shares, Investment Trust shares, and Preference Shares.

Investors are reminded that the price of the units and the income from them can go down as well as up.

APPLICATION FORM

MIN £100

Signature

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Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Japhet Life Ass. Co. Ltd.

The City of Westminster Assur. Soc.

The City of W'minster Ass. Co. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crescent Life Ass. Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Ass.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

The Individual Life Ins. Co. Ltd.

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

For Life & Equity Assurance see Cannon Assurance Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyds Life Assurance

M & G Group

Magna Assurance Company Ltd.

Merchant Investors Assurance

NEL Pensions Ltd.

New Court Property Fund Mngrs. Ltd.

NPI Pensions Management Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Royal Insurance Group

Save & Prosper Group

Safeguard Assurance Limited

Schroder Life Group

Scot. Widows' Fnd. & Life Ass. Soc.

Slater Walker Insurance Co. Ltd.

Sun Alliance Fund Mangmt. Ltd.

Sun Life of Canada (U.K.) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Group

Vanbrugh Life Assurance

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS FUNDS

Albany Fund Management Co. Ltd.

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Banque Bruxelles Lambert

Bk. of London & S. America Ltd.

Barclays Unicorn Int. (Ch. Is.) Ltd.

Barclays Unicorn Int. (I. O. Man) Ltd.

Bishopsgate Commodity (I.o.M.) Ltd.

Bridge Management Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Cornhill Ins. (Guernsey) Ltd.

Delta Group

Dreyfus Intercontinental Inv. Fd.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

F.I.R.S.T. Managers Ltd.

First Viking Commodity Trust

Free World Fund Ltd.

G.T. Management Ltd. Ldn. Agts.

G.T. Management (Asia) Ltd.

Hambro Pacific Fund Mgemnt. Ltd.

Hambros (Guernsey) Limited

Hapat Management Ltd.

Oliver Heath and Co. (IoM and Gib.)

Henderson BSM Mgemnt. Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Overseas Fund S.A.

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

For "Jersey Savings Bank" see "TSB Unit Trust Managers"

Kemp-Gee Management Jersey Ltd.

Keyselex Mngt. Jersey Ltd.

King & Shaxson Mgrs. (Jersey) Ltd.

Kleinwort Benson Limited

Lazard Investment Mngt. Ltd.

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds International Mgmt. S.A.

M & G Group

Murray, Johnstone (Inv. Adviser)

Samuel Montagu Ldn. Agts.

Negit S.A.

Negit Ltd.

Neptune Intnl. Fnd. Mgrs.

Old Court Fund Mngrs. Ltd.

Old Court Commodity Fd. Mgrs. Ltd.

Property Growth Overseas Ltd.

Royal Trust (CI) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger Fnd. Mgrs. (Jersey) Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Singer & Friedlander Ldn. Agents

Slater Walker Tst. Mgt. (Jersey) Ltd.

Surinvest Copper Trust Managers Ltd.

TSB Unit Trust Managers (C.I.) Ltd.

Target Trust Mgrs. (Cayman) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

United States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % shown in last column allow for all buying expenses. Offered prices include all expenses. Today's prices. Yield based on offer price. Estimated. Today's opening price. Distribution free of U.K. taxes. Periodic premium insurance plans. Single premium insurance. Offered price includes all expenses except agent's commission. Offered price includes all expenses if bought through managers. Previous day's price. Net of tax on realised capital gains unless indicated by §. Guernsey gross. Suspended. Yield before Jersey tax. Ex-subdivision. Single premium insurance bonds.

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FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅝	98	Victory 4pc 1976‡‡	98	......	4.04	—
101 15/32	99 7/16	Treasury 10½pc 1976‡‡	99⅞	......	10.51	10.67
98 5/32	95 3/32	Treasury 6½pc 1977‡‡	97 3/16	......	6.43	10.97
97¼	94½	Electric 3pc '74-77	96¼	−⅛	3.12	9.16
103 7/32	92 9/16	Treasury 11½pc '77‡‡	100⅛	−⅛	11.49	11.27
95⅛	91⅞	Treasury 3pc '77‡‡	93¾	−⅛	3.20	8.11
95⅝	92¼	Transport 4pc '72-77	94¼	−⅛	4.24	8.36
99 7/16	90½	Treasury 9pc 1978‡‡	96 3/16	−1/16	9.34	11.50
101½	97	Treasury 10½pc '78‡‡	98⅞	−⅛	10.62	11.14
93⅛	89⅝	Exchequer 5pc '76-78‡‡	91 11/16	−1/16	5.45	9.22
103 21/32	97⅞	Treasury 11½pc '79‡‡	99¾	−⅛	11.53	11.58
88⅞	85⅝	Treasury 3pc '79‡‡	86¾	−⅛	3.46	7.82
89⅝	73⅞	Electric 4¼pc '74-79	87½	−⅛	4.86	8.54
100 9/32	94⅞	Treasury 10½pc '79‡‡	96 11/16	−1/16	10.86	11.70
88¾	83⅝	Electric 3½pc '76-79	86¾	−⅛	4.03	8.14
96 21/32	90¼	Treasury 9pc 1980‡‡	92 5/16	−1/16	9.75	11.65
96½	91¼	Treasury 9½pc '80‡‡	92 11/16	−1/16	10.25	11.92
86½	82¼	Treasury 3½pc '77-80	85¼	−⅛	4.11	7.93
89½	71	Funding 5¼pc '78-80‡‡	87½	−⅛	6.00	9.13
103 3/16	96 11/16	Treasury 11½pc 1981‡‡	98 11/16xd	−⅛	11.64	11.83
86	79	Treasury 3¼pc 1979-81	83½xd	......	4.19	7.88
95⅝	90⅛	Treasury 9¾pc 1981‡‡●	91¾	−⅛	10.63	12.09
		Five to Fifteen Years				
94⅛	86	Treasury 8¼pc '80-82‡‡	87¾xd	−⅛	9.71	11.64
107¾	99⅞	Treasury 12pc 1983‡‡	102⅜	−⅛	12.24	12.42
81⅛	73¼	Funding 5½pc '82-84‡‡	76⅛xd	−⅛	7.22	10.10
87⅝	79⅛	Treasury 8½pc '84-86‡‡	81⅝	−¼	10.46	11.74
74⅞	67⅛	Funding 6½pc '85-87‡‡	69¾	−¼	9.53	11.77
77⅝	71	Treasury 7¾pc '85-88‡‡	72xd	−¼	10.76	12.37
51¼	45⅝	Transport 3pc '78-88	48⅝	−¼	6.20	10.78
59¾	52¼	Treasury 5pc '86-89	55¼	−¼	9.28	12.06
103¾	93¾	Treasury 13pc 1990‡‡	95¼xd	−⅛	13.70	13.84
75⅞	68	Treasury 8¼ 87-90‡‡	70⅛	−¼	11.92	13.12
60	53⅛	Funding 5¾pc '87-91‡‡	55½	−¼	10.70	12.81
		Over Fifteen Years				
100½	87⅝	Treasury 12¾pc '92‡‡	92⅛xd	−⅛	13.86	14.02
98½	85¾	Treasury 12½pc '93‡‡	90	−⅛	13.95	14.13
58	50⅝	Funding 6pc 1993‡‡	53⅜	−¼	11.72	13.27
75⅜	66⅛	Treasury 9pc '94‡‡	69⅞	−¼	13.21	13.80
36½	32½	Gas 3pc '90-95	33⅝	−⅛	9.11	12.14
100	87⅞	Treasury 12¾pc '95‡‡	93	−¼	14.09	14.18
75⅞	66⅜	Treasury 9pc '92-96‡‡	70⅛	−⅛	13.41	13.92
95¼	93⅞	Exchequer 13¼pc '96‡‡●	95	−¼	14.19	14.26
35½	31	Redemption 3pc 1986-96	33½	−⅛	9.22	11.87
102½	88	Treasury 13¼pc '97‡‡	93⅛xd	−¼	14.21	14.27
70⅛	64⅜	Treasury 8¾pc 1997‡‡	68¼xd	−¼	13.52	13.97
57⅞	50⅛	Treasury 6¾pc '95-98‡‡	53⅜	−¼	13.03	13.77
76	65½	Treasury 9½pc 1999‡‡	69⅝	−¼	13.70	14.00
31½	27¼	Funding 3½pc '99-04	28¾	−⅛	12.22	13.17
65	56¾	Treasury 8pc '02-06‡‡	60⅜	−¼	13.81	13.97
46⅛	39⅝	Treasury 5½pc '08-12‡‡	42¼	−¼	13.69	13.84
60⅞	52¼	Treasury 7¾pc '12-15‡‡	55¾xd	−¼	13.90	13.95
		Undated				
30⅜	26⅛	Consols 4pc	27¼xd	......	14.58	—
27⅞	24⅜	War Loan 3½pc‡‡	26	......	13.74	—
28⅞	25¼	Conv. 3½pc '61 Aft.	27¼	......	13.39	—
23¼	20⅝	Treasury 3pc 66 Aft.	21¾	......	14.40	—
19⅝	17	Consols 2½pc	18	......	14.00	—
19½	16⅞	Treasury 2½pc	18	......	14.53	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
99¾	98¼	5pc Stock 1976	99¾	......	—	—
75	68½	5pc Stock '77-82	73½xd	......	7.21	12.33

**CORPORATION LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
89¾	84½	Birm'ham 9¾pc '79-81	85xd	......	10.84	13.33
97⅞	87½	Bristol 6½pc '75-77	97⅝	......	6.66	11.16
94¾	89½	Essex 5½pc '75-77	94¾	......	5.80	11.51
95¾	92⅝	G.L.C. 7¼pc 1977	95½	......	7.60	11.99
102½	93½	Do. 12½pc '82	97¾	......	13.04	13.53
78¾	74¾	Herts. 5½pc '78-80	78¼	......	6.75	12.55
95⅛	91⅞	Liverpool 7pc '76-77	94¾	......	7.38	11.95
87¼	79	Do. 9¾pc '80-84	82¼	......	12.11	13.89
26	22¼	Do. 3½pc Irred.	24¼	......	14.79	—
90	86¼	Lon. Corp. 6½pc '75-78	89½	......	7.26	12.45
83	75	Do. 9¼pc '84-85	80¾	......	11.86	13.49
92	87⅞	L.C.C. 6pc '75-78	91½xd	......	6.55	12.08
75½	69¾	Do 5½pc '77-81	73¼	......	7.65	13.18
67½	60½	Do 5½pc '82-84	63¾	......	8.64	12.92
59	52½	Do 5½pc '85-87	55¼	......	10.06	13.58
60½	20½	Do 6¾pc '88-90	55¼	......	12.26	14.23
22½	19¾	Do. 3pc '20 Aft.	22	......	14.83	...
93¾	90	Middx. 6¾pc '75-77	93	......	6.71	11.93
79¼	74½	Do 5¼pc 1980	79	......	6.65	12.56
90½	85½	Newcastle 9¾pc '78-80	88½	......	10.45	12.89
101½	97	Warwick 12½% 1980	98¾	......	12.66	12.84

COMMONWEALTH & AFRICAN LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
100⅛	92⅝	**Aust. 6pc '74-76	100⅛	+⅛	6.07	10.97
91	85½	**Do. 5½pc '75-78	89¾	......	6.24	11.66
82¾	77⅞	**Do. 5½pc '77-80	81¼	−⅛	6.79	12.43
74⅜	68¾	**Do. 5½pc '81-82	72	......	7.80	12.91
86⅝	80¾	**N.Z. 4pc 1976-78	86½	......	4.64	10.63
83⅝	80	**Do. 6pc '76-80	83⅛	......	7.41	12.65
74	67½	**Do. 7½pc '83-86	70	......	10.78	13.04
43	25	Sth. Rhod. 2½pc '65-70	25	......	—	—
62	39	Do. 6pc '78-81	43	......	—	—

LOANS (Miscel.)

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
81⅛	42½	Agric. Mt. 5pc '59-89	46	......	10.91	14.28
76½	66½	Alcan 10½pc '89-94	72	......	14.71	15.20
100¾	93¾	**FFI 13pc '81	98¾	......	13.29	13.51

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 40¾% (based on $1.7832 per £)

Conversion factor 0.7185 (0.7106)

CANADIANS

S.E. List Premium 40% (based on $1.7364 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

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MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	320	Blyvoor 25	370	−10	Q75c	φ	13.1
£14	580	Buffels R1	600	−10	Q125c	φ	13.5
198	88	Deelkraal R0.20	98	−4	—	—	—
760	210	Doornfontein R1	240		Q55c	φ	14.8
965	500	East Drie R1	540	−10	Q75c	1.7	9.0
280	140	Elandsrand Gld. 20c	140	−5	—	—	
190	68	Elsburg R1	77	−3	‡Q338c	1.0	‡
£16½	850	Hartebeest R1	900	......	Q190c	φ	15.4
695	300	Kloof Gold R1	350	−10	Q47c	φ	8.7
760	275	Libanon R1	280	−10	Q80c	φ	18.5
740	335	Southvaal 50c	375	......	Q8c	1.3	1.4
245	128	Stilfontein 50c	130	−5	‡Q36c	2.2	‡
£20½	£10¼	Vaal Reefs 50c	£10¼	−¼	‡Q175c	2.1	‡
420	90	Venterspost R1	102	−8	‡Q70c	1.9	‡
£35	£14½	W. Drie R1	£14¼	−½	Q335c	φ	14.7
315	110	Western Areas R1	124	−1	‡Q52c	1.4	‡
£15¼	570	Western Deep R2	650	−10	‡Q147½c	1.6	‡
290	164	Zandpan R1	170	......	Q31¼c	φ	11.9

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	70	Free State Dev. 50c	80	......	Q9c	φ	7.5
975	880	F.S. Geduld 50c	975	......	‡Q330c	1.3	‡
200	57	F.S. Saaiplaas R1	120	......	Z6c	O	3.2
465	295	Harmony 50c	310		Q65c	φ	13.6
195	68	Loraine R1	74	−4	Q6c	0.5	5.2
£18½	900	Pres. Brand 50c	925	......	‡Q250c	1.3	‡
£13	540	Pres. Steyn 50c	590	−5	‡Q125c	2.2	‡
950	880	St. Helena R1	950	[illegible]	‡Q250c	1.2	‡
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; Bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- φ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- ¶ Based on 1975 profits.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ¶ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 13

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FINANCIAL TIMES
Saturday July 24 1976

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MAN OF THE WEEK

The last Olympian master?

BY MICHAEL THOMPSON-NOEL

THE OLYMPIC MOVEMENT is in danger of complete disintegration. Although cracks are appearing in the resolve of a few of the African, Asian and Caribbean *nations that have* walked out of the Montreal games in protest at South Africa's racial policies, that must be the conclusion of the past seven days.

The International Amateur Athletics Federation has now banned South Africa from membership and thus from all world athletics competition. Sudan, which left the games on Thursday, said in doing so that several African nations, including Egypt and Kenya, were "angry" with the boycott order, *and South Africa itself has once* more repeated its disputed claim that it is doing everything it can to achieve equality for all races in South African sport.

The Olympics have become involved in power politics, and only inspired leadership from Lord Killanin, the Irish president of the International Olympic Committee, can save the movement from the politicians and from itself.

If there is a better man to salvage the Olympics from the depths, he has not yet come forward. Known abroad as the Pope of Sport, Killanin came into the movement when he was in his mid-30s when he became president of the Olympic Council of Ireland, partly to help erase debts from the 1948 games.

Lord Killanin—an eight-year term

Killanin lives in Spiddal, County Galway. He covered the Sino-Japanese war as a newspaper correspondent and returned to Ireland in 1945 to rebuild the family home. However, he says: "I don't like living behind the walls of an estate cut off from the people. I just don't have the landlord mentality."

He is not cut off any more. Killanin took over the torch of the IOC presidency *from* Avery Brundage in 1972 and embarked on an eight-year term of office.

Where Brundage, crusty and vastly wealthy, has paid his own *presidential expenses*, Killanin, much less rich, asked for and received $50,000 a year. Where Brundage was an autocrat, running the IOC out of his own *briefcase*, Killanin is a diplomat and democrat.

Killanin joined the IOC in 1952 and for years has worked to get mainland China back into the movement. Hence his shock when Brundage in 1955, unilaterally recognised the Republic of China (Taiwan) Olympic Committee and his shock, again, in 1970, when Brundage brought forward Henry Hsu as IOC member on behalf of Taiwan.

As much as any man could, Killanin has struggled to hold the movement together. In 1973 he called the first full IOC congress in 50 years, in Bulgaria, at which the amateur rule was modified and the national federations given a greater say in the conduct of the games. During Killanin's presidency, new IOC delegates have joined from Jamaica, Cuba, India, Senegal, Thailand, Mexico, Australia, the U.S. and Algeria.

"It has been obvious for a long time," he says, "that the Third World is under-represented in the IOC. This isn't to say I feel the IOC should be a wing of the United Nations, because I don't. I strongly believe in the custom whereby members represent the IOC in their countries, not their *countries in the IOC*."

Unfortunately for Killanin, that custom is dying fast. Twenty years ago there was hardly a country in the world with a Minister for Sport. To-day there is hardly a country without one.

The Olympic ideal was trampled by the student shootings in Mexico and the terrorism in Munich, and shoddied by the *$1.5bn. run-in* to Montreal. The African walk-out, and Canada's own stance earlier over the non-related issue of the Taiwanese, who left before the start of the Games when Canada refused to allow their athletes into the country unless they agreed not to participate under the name of the Republic of China, may have been the mortal blows.

Lord Killanin could even be the last president of the IOC, before it disintegrates.

Left plans guerilla war on package

BY RICHARD EVANS, LOBBY EDITOR

LABOUR *Left-wingers* threatened to conduct a guerilla campaign in Parliament and in the Labour movement against the proposed cuts in public spending, as the full impact of the Cabinet's decision sank in yesterday.

Any rebellion is unlikely to develop strongly before the summer recess but the Tribune *Group is already planning* to vote against Parliamentary Orders necessary to implement specific elements in the Chancellor's package.

The Orders, notably on the increase in various National Health Service charges and the additional 2 percentage points on the employers' National Insurance contributions, will be introduced in the autumn.

In the meantime, Left-wing pressure will be exerted on the Government to modify the package at Monday's meeting of *the TUC/Labour Party Liaison* Committee and at Wednesday's meeting of the Labour Party's National Executive Committee.

Mr. Arthur Latham, chairman of the Tribune Group, has urged all Left-wing MPs to remain at Westminster on Monday and Tuesday week in case a debate is held on the Chancellor's package before Parliament goes into recess. The strength of the group's protests will depend on *whether their abstentions* will attract other dissidents to their cause.

It is unlikely that the Conservatives would oppose the Chancellor's proposals.

The Left-wing is worried about the payroll tax—which will raise £910m.—because of its impact on prices and employment.

Tribune Group members who attended an angry *three-hour* meeting which lasted into the early hours of yesterday claimed that the increase in National Insurance contributions was added to the package late in the Cabinet's deliberations.

Battering

One of the Ministers present, Mr. Albert Booth, Employment Secretary, claimed that *its introduction* by the Chancellor had been so late that it was impossible for Ministers to obtain departmental briefs prepared to *study its full impact*.

It also emerged yesterday that a £50m. cut in overseas aid was removed from the package in order to placate the Left-wing and there was also a last-minute increase in the amount to be deferred in defence spending in 1977-78.

By all accounts Mr. Michael Foot, Leader of the Commons and the other Left-wing Minister present at the Tribune meeting, received a verbal battering at the hands of his Left-wing colleagues for supporting the package and not resigning from the Cabinet.

But Mr. Foot, although shaken by the highly emotional cross-examination, insisted that the Left should appreciate political realities.

He agreed that the Callaghan Cabinet was basically Right-wing, but he argued it was sensible for Left-wingers to try to force changes through the Cabinet rather than resign in protest at a decision they did *not* wholeheartedly support.

In his view it was unreasonable for the group to behave as if there was a massive Left-wing majority in the Parliamentary Labour Party and in the Cabinet.

Mr. Foot surprised the meeting by suggesting that the Cabinet had at one stage come close to deciding on import controls as part of the package.

After the meeting Mr. Latham described the discussion as "lengthy intense and angry." He stressed that the Tribune Group was determined to use all the means it could to resist the cuts.

"There are many members declaring that they are prepared to withhold support from the Government," he said.

Wimpey offers £5¼m. for Wingate

BY KEITH LEWIS

George Wimpey, the U.K.'s largest builders of private homes, is offering £5¼m. for property investment and development group Wingate Investments, whose principal asset is the St. Alphage House office block in the City of London.

The bid is not a big one for Wimpey, which is cash-rich after the sale in recent years of the bulk of its holding in private property group Oldham Estates. Its last balance sheet showed cash balances of £55.5m. against debt of £40.7m. and shareholders' funds of £122.5m.

The attractions of Wingate are the property portfolio and the management team, which will be retained. Suggestions that Wingate might be used as a property development vehicle were dismissed yesterday by Wimpey as premature.

Wingate made a loss of more than £184,000 last year. It is still operating at a deficit.

At the end of financial year 1974-75 the properties in Wingate's portfolio were adjusted to 1969 values to reflect the state of the market. This wiped almost £18m. off the balance sheet values.

St. Alphage House was put in the books at less than £8m. At one time it was valued at £25m. Three tenders for that property put in at the beginning of 1974—believed to have been in the £15-20m. range—were all turned down by the Wingate Board.

The bid of 35p cash, which compares with net assets a share put at 48p, has already been accepted by directors, family interests and other major shareholders representing 40.5 per cent. of the ordinary capital.

Wingate shares, which have been rising steadily this month from 18½p, rose 9½p yesterday to 33½p.

One of the conditions of the offer is that an option on the profit participation interests held by Continental Trade Bank on the development of the Wingate Centre, Aldgate, can be bought out for £140,000.

U.S. gives Healey cuts qualified welcome

BY DAVID BELL — WASHINGTON, July 23.

SENIOR U.S. officials to-day gave a qualified welcome to the latest British public spending cuts as further evidence that the Government appears still to be determined to stick to its long-term economic strategy and has not been deflected from it.

It is, however, felt here that *now is still too early* to say whether yesterday's measures will be enough to strengthen the pound sufficiently to remove the need for Britain to borrow from *the International Monetary* Fund later this year.

The borrowing would be needed to pay back whatever part of the recent $5.3bn. swap *agreement may have been* used by that time.

The swap finally expires in December, and any British application, which the U.K. is still anxious to avoid, would have to be made about the middle of September.

Fund officials, as always, had no official comment on the cuts but for the moment at least, some seem disposed to accept the British view that the combined effect of the latest cuts and the economic recovery will be to reduce the 1977 public sector borrowing requirement below £9bn.

This has been widely taken as the figure the Fund would like to see. Its considered view, however, will become clearer only after it has had time to study in more detail the Treasury's latest projections.

Successful

U.S. Treasury officials feel that it is not so much yesterday's cuts, as the Chancellor's programmes as a whole that hold out what one described as considerable hopes that the U.K. economy may now at last be on the mend.

Mr. Edwin Yeo, Under-Secretary for Monetary affairs, said that the combination of a successful incomes policy, changes in the Budget and other factors appeared to have produced a strategy "that holds out the prospect of being a winning one to me."

The U.S. is anxious not to be seen to be "leaning" on Britain, and U.S. officials insist that there is no magic figure in the minds of the U.S. Administration for next year's borrowing requirement.

However, the U.S. Treasury is known to be thinking in terms of about £9bn., and there seems a greater willingness now to accept the U.K. projections than there *may sometimes have been* in the past.

It is pointed out that a lot can change between now and the start of the 1977 fiscal year, which is still nine months away.

For its part, the senior management of the IMF is also known to have been impressed by the success of the Chancellor's anti-inflation policy, even though it is recognised that it still has some way to go.

The considerable political problems of the Government are also well recognised inside the Fund and officials have no intention of allowing themselves to appear to be "wielding a big stick."

Nevertheless, there are some doubts that Britain will be able to get through the rest of the year without a new drawing, and the Fund will take a very hard look at the British economy before deciding what to include in the letter of intent that it would ask the British Government to sign.

Withdrawal leaves Smith Bros. only jobber dealing in Kaffirs

BY MARGARET REID

ONLY one Stock Exchange job*bing concern, Smith Brothers,* will be dealing in South African gold shares—Kaffirs—following the decision, announced yesterday, by another jobber, Wedd Durlacher Mordaunt, to withdraw from this market after losing more than £½m. in it in two years.

It is highly unusual for only a *single* jobbing concern to be dealing in one section of the stock market. But the move by Wedd—which will still deal in mining finance shares—comes as no surprise after the rejection this week by Mr. Denis Healey, Chancellor, of a Stock Exchange appeal for concessions on the "25 per cent. surrender rule."

This is the requirement under which *British sellers of overseas* stocks have to give up the investment premium, now worth about 40p in the £, on a quarter of the proceeds of selling such stocks.

It is widely estimated that London business in Kaffirs has fallen by 70 per cent. since the extension of the "surrender rule" to overseas sterling stocks in March, 1974, began to discourage sharply British investors *from buying and selling them*.

Wedd Durlacher notified other member firms yesterday that "owing to reasons which are now well known" it would cease to deal in Kaffir stocks on August 6. It explained: "We have struggled to keep a service going for the investing public but losses in trading in Kaffirs have be*come unacceptable*."

In the last two years Wedd Durlacher have lost several hundred thousand pounds — thought to be more than £½m. — *in the Kaffir market. In the* year to mid-January 1975, the firm made a total pre-tax profit of £499,000, compared with a £398,000 loss in 1973-74. Results for its lengthened 15-month trading period to April 15 have to be announced.

Wedd Durlacher is to continue to deal in a considerable range of mining finance groups, including Anglo American Corporation of South Africa, Consolidated Gold Fields and de Beers, as well as in some South African industrials.

It said that it hoped there *would be enough business to* make these viable but that "if in a few months we are not making money we shall have to discard them, too."

After the Chancellor *had* turned down the plea for a concession on the "surrender requirement" to revitalise the kaffir and other London markets *in overseas stocks*, Mr. Nicholas Goodison, chairman of the Stock Exchange, said that the decision could have serious implications for the markets.

A third jobber previously in kaffirs, Stocken and Lazarus, pulled out of this sector recently. But Mr. Goodison said that he could do nothing to stop jobbers leaving a market in which they did not wish to deal.

Mr. Tony Lewis, chairman of Smith Brothers, which from August 6 will deal alone in kaffirs, said yesterday that they still found it worthwhile to deal in this sector.

How the price of gold was tarnished, Page 11

Banks bear more export financing

By Michael Blanden

THE BIG CLEARING banks have agreed to take on a bigger share of special medium-term lending for exports and shipbuilding as a contribution to cutting the Government's borrowing requirement in the next financial year.

This is expected to eliminate a prospective extra £200m. of spending by the Government. Under the new temporary arrangement the banks have agreed to increase the proportion of *their current account* funds allocated to these special purposes from 18 to 20 per cent.

Continued from Page 1

£ down

year price inflation will be achieved during 1977.

This target is not expected to have slipped dramatically and the goal remains to bring down inflation to comparable international levels by the end of 1977.

The impact of the depreciation of sterling and rise in commodity prices may delay a significant move down from the present underlying rate of increase of around 13 per cent. until next spring.

Brokers Phillips and Drew yesterday *took* a more sceptical view, arguing that the package would make it extremely difficult to avoid an increase in the rate of wage settlements during 1977-78.

Its central forecast is that the annual rate of inflation will only temporarily dip below 10 per cent. a year in late 1977 before beginning to rise again.

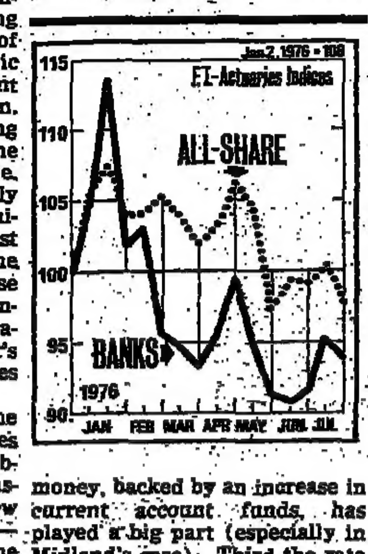
THE LEX COLUMN

Clearers bound ahead

The great spending cuts *drama has come and gone, leaving* the stock market unimpressed and with a strong feeling of anti-climax. It is, of course, welcome that the public sector borrowing requirement should be reduced by £1½bn. next year, but the remaining £9bn. is still too high for the City to feel at all comfortable. Gilts and sterling were slightly weaker yesterday. And in equities the 30-Share Index has lost over 12 points on the week, the reaction to the plan to impose a further £900m. burden on companies being that this contradicts much of the Government's elaborate propaganda exercises on industrial strategy.

As so often, the key to the market's future movements lies in interest rates. And the problem is that opinion is increas*ingly coming around to the view* that rates are likely to rise—although not necessarily in the very short run. Continental rates are climbing, with the French bank rate up 1½ points to 9½ per cent. on Thursday. In London the money market continues to be squeezed, and the Treasury Bill issue is to go back up to £600m. next Friday. The Government's indication of a 12 per cent. growth in money supply this financial year allows for a modest acceleration *from* now on, but there is still a need to sell gilts aggressively. If they cannot be sold on yields of 14 per cent., then on precedent the Bank of England will try something higher.

Index fell 4.0 to 378.4



Clearing banks

The extent of the recovery in clearing bank profits has taken the stock market by surprise. It is around six months ahead of schedule. With pre-tax profits 62 per cent. ahead, at £66.6m. Midland's figures are particularly eye-catching but Lloyds' solid 36 per cent. growth to £64.6m. proves that it is no flash in the pan.

Against a background of stagnant bank advances the profit growth is all the more encouraging. Trading profits of Lloyds and Midland are 19.1 per cent. and 34.9 per cent. ahead, respectively. Various factors have been at work. The key interest rate spread between base rate and 7-day deposit rate, which was hovering around the 3 point mark in early 1975, has been running at 4 points during the first half of 1976 and shows little sign of falling. Second, a declining reliance on wholesale money, backed by an increase in current account funds, has played a big part (especially in Midland's case). Third the rate of cost increases has slowed down noticeably.

The banks also seem to have had some success in persuading customers to switch their overdrafts into higher margin term loans. On top of this the absence of any additional provisions against property advances has also helped. In Midland's case loss elimination at Thomas Cook and Samuel Montagu should have added to the parent company's strong advance.

However, higher margins on domestic banking are not the whole story. International banking profits, aided by a 7 per cent. devaluation against the dollar during the period, have also been buoyant and associated company profits have moved ahead smartly. In Lloyds' case the latter accounted for just under half the growth at pre-tax level and in Midland's case for a third. The recovery at Grindlays and at FFI lay behind Lloyds' increase while the contribution from Standard and Chartered raised Midland's associated company profits from £1.3m. to £10.0m.

The worst now seems to be over on the bad debt front and the prospects for clearing bank shares, which have underperformed *the market over the last* six months, are looking a good deal brighter. Bank lending is starting to rise, interest rates are higher and the banks have the benefit of the recent increases in bank charges in the second half. On top of this the banks can look forward to one year and possibly two when the *growth in money supply will* exceed the growth in staff costs.

Gold shares

Wedd Durlacher's departure from the Gold share market at the end of the new Account will surprise no one. Wedd's move into gold came via the acquisi*tion of Blackwell at the start of 1974*. They held only a modest share of the business from the word go and three months after entry dealing levels were severely hit by the implementation of the 25 per cent. surrender rule. By June, 1975, turnover had dropped a full 70 per cent. and it has never really recovered. Gold shares of course have their own special problems and even dealers in New York—where *most business is now done*—have experienced low and unstable turnover with business perhaps only half what it was in the early part of 1974.

Smith Brothers are now the only jobbers in this market. But Smith are having to compete fiercely with international mar*ket makers of which there are* at least a dozen, so this is no real drawback to marketability.

Unigate

The European cheese market moved into a position of severe over-supply towards the end of 1975-76, while in the U.K. liquid milk consumption slipped back and the unbranded meat business went through a very rough time. Yet Unigate has come through the year with profits up from £17.8m. to £21.6m. pre-tax and, thanks mainly to a sharp fall in the tax charge, earnings per share are a sixth higher despite the rights issue. The explanations include higher sales of food products on the milk rounds, an improved supply *of milk for butter production* and (to judge by the tax charge) a useful increase overseas.

Although the cheese market seems to have stabilised in recent months and the drought is having some impact on the oversupply of dairy products in *Europe, the medium term trend* is still unclear. Unigate remains as confident as ever, and the fact that profits growth may lag behind that of many other industrial companies this year is already reflected in a yield of 9.4 per cent., twice covered, at 47p.

Weather

U.K. TO-DAY

MOSTLY dry and warm with sunny spells.

London, E. Midlands, S. England, Channel Is.

Dry and warm with some sunny spells. Max. 23C (73F).

E. Anglia, E., N.E. England

Sunny spells, perhaps isolated showers. Max. 20C (68F).

W. Midlands, S. Wales, Cent. N., N.W. England, Lakes

Dry, some sunny spells. Max. 20C (68F).

N. Wales, I. of Man, Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth

Mainly dry, some sunny spells. Max. 18C (64F).

N. Scotland, Argyll, Orkney, Shetland

Cloudy. Occasional rain or drizzle. Max. 16C (61F).

N. Ireland

Cloudy. Occasional rain or drizzle. Max. 18C (64F).

Outlook: Mostly dry with sunny intervals.

Lighting-up: London 21.31, Manchester 21.49, Glasgow 22.09, Belfast 22.09.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	F	30	86	London	F	22	72
Amsterdm.	F	20	68	Luxemb'g	F	19	66
Athens	S	28	82	Madrid	S	30	86
Barcelona	S	26	79	Manchstr.	C	16	61
Belfast	C	14	57	Melbourne	F	14	57
Belgrade	C	23	73	Milan	F	23	73
Berlin	C	20	68	Moscow	S	24	75
Birmghm.	C	17	63	Munich	C	12	53
Bristol	C	18	64	Newcastle	C	17	63
Brussels	F	21	70	Oslo	S	24	75
Budapest	R	18	64	Paris	S	21	70
Cardiff	C	18	64	Perth	F	19	66
Cologne	C	19	66	Reykjavik	C	11	52
Copenhgn.	F	21	70	Rome	C	25	77
Dublin	C	17	63	Stockholm	C	23	73
Edinburgh	C	17	63	Strasbourg	C	19	66
Frankfurt	F	30	86	Sydney	C	15	59
Geneva	C	16	61	Tel Aviv	S	28	82
Glasgow	R	13	55	Vienna	R	16	61
Helsinki	C	19	66	Warsaw	C	24	75
Lisbon	S	26	79	Zurich	R	19	66

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	23	73	Jersey	F	18	64
Algiers	F	27	81	Las Plms.	F	25	77
Biarritz	S	24	75	Locarno	F	25	77
Blackpool	C	16	61	Majorca	C	25	77
Bordeaux	S	23	73	Malaga	S	29	84
Boulogne	S	18	64	Malta	S	28	82
Corfu	F	29	84	Naples	F	24	75
Dubrovnik	F	27	81	Nice	S	25	77
Faro	F	27	81	Oporto	S	32	90
Florence	C	23	72	Rhodes	S	27	81
Funchal	C	23	73	Salzburg	R	12	54
Gibraltar	F	25	77	Tangier	C	25	77
Guernsey	S	19	66	Tenerife	F	20	68
Innsbruck	C	12	54	Tunis	F	30	86
Inverness	C	17	63	Valencia	C	25	77
I. of Man	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]
Istanbul	[illegible]	[illegible]	[illegible]				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

MPs approve their £6 increase

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MPs YESTERDAY approved the proposal that they should receive a £6-a-week pay increase in line with the Government's pay policy. They did so with mixed feelings after a series of divi*sions in the Commons, and* finally by a majority of 94 (111-17).

The increase, added to the ordinary MPs' present salary of £5,750, will give him £6,062. Those who earn more than £8,500 a year, taking into account outside earnings, will not be entitled to any increase at all.

Mr. Michael Foot, Leader of *the House, suggested when he* explained the arrangements for the coming year: "I am sure MPs would not expect to be treated any differently from others in this respect."

He acknowledged that there had been criticism of the earnings limit on the proposed increase and doubts as to how it would work in practice.

Where an MPs earnings come from more than one source, responsibility for complying with the pay limit would rest with the individual, so outside income from directorships, salaried appointments, and sponsored payments would all have to be taken into account.

There will be an increase of £250 to £3,450 in the secretarial allowances for all MPs.

Many MPs, said Mr. Foot, urgently needed the £6-a-week increase to which they were entitled—next year they would come under the second phase 4½ per cent. policy.

Labour *Left-wingers criticised* decisions to increase MPs' pay in the wake of the stringent economic measures announced by the Chancellor on the previous day.

Mr. Max Madden (Lab., Sowerby), condemned a system which allowed MPs to take on as many jobs as they wished for outside organisations. "I believe *it is unjustifiable for us to* receive a £6 increase this year."

Mr. Bob Cryer (Lab., Keighley), said that the present salary of £5,750 would be regarded by ordinary people as adequate.

Tory MPs also deplored the timing of the pay proposal immediately after the Chancellor's announcement of cuts.

Mr. John Peyton, from the Opposition front bench, opposed the view that MPs should have *no outside occupation*. The Commons would be the poorer for it.

A proposal from the Tory back-benchers to limit MPs' increases to £208 a year from October 1 was rejected by a majority of 75 (110-35).

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